Washington Township Health Care District
2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111
Kimberly Hartz, Chief Executive Officer

BOARD OF DIRECTORS' MEETING
Wednesday, December 11, 2024 – 6:00 P.M.
Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont and via Zoom
https://zoom.us/j/97267875210?pwd=laS1WQ5HVExC13qsHt8ybjpUdrNJ3v.1
Password: 918761

Board Agenda and Packet can be found at:
December 2024 | Washington Hospital Healthcare System
AGENDA

		PRESENTED BY:
I.	**CALL TO ORDER & PLEDGE OF ALLEGIANCE**	Jacob Eapen, MD Board President
II.	**ROLL CALL**	Cheryl Renaud District Clerk
III.	**CONSIDERATION OF RESOLUTION NO. 1269, ACKNOWLEDGING THE APPOINTMENT OF WILLIAM F. NICHOLSON, MD AND JEANNIE YEE AS DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT**	*Motion Required*
IV.	**OATH OF OFFICE**	The Honorable Thomas Nixon

A. William F. Nicholson, MD
B. Jeannie Yee

V.	**ELECTION OF OFFICERS**	*Motion Required*
VI.	**COMMUNICATIONS**	

A. Oral
This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.

B. Written

VII.	**CONSENT CALENDAR** *Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.*	Board President
	A. Consideration of the Reappointment to the Washington Township Hospital Development Corporation Board of Directors for 2025	*Motion Required*
	B. Consideration of Medical Staff: Amendment of Medical Staff Credential Policy – Outpatient Services and Referral for Outpatient Care Ordering Policy	
	C. Consideration of Approval of Abbott Chemistry Analyzers Project	
	D. Consideration of BD Alaris Pump Module Replacements	
	E. Consideration of Huron Consulting Support Services Agreement	
VIII.	**PRESENTATIONS**	**PRESENTED BY:**
	A. Result of Annual Audit FY 2024	Will Cobb, Partner PricewaterhouseCoopers
IX.	**REPORTS**	
	A. Medical Staff Report	Mark Saleh, MD Chief of Medical Staff
	B. Service League Report	Sheela Vijay Service League President
	C. Quality Report: Quality Dashboard Q/E September 2024	Mary Bowron Chief Quality Officer
	D. Finance Report	Thomas McDonagh Vice President & Chief Financial Officer
	E. Hospital Operations Report	Kimberly Hartz Chief Executive Officer
	F. Hospital Systems Calendar	Kimberly Hartz Chief Executive Officer

X. **ACTION**

A. Consideration of Audit Report FY 2024 — *Motion Required*

B. Consideration of Approval and Adoption of the name "Washington Health" as the Trademark Name and Logo for the Washington Township Health Care District — *Motion Required*

C. Consideration Adoption of a Revised Statement of the Mission, Vision & Values for the District — *Motion Required*

D. Consideration of Resolution No. 1270 – Resolution of the Board of Directors of Washington Township Health Care District Adopting an Updated Signature and Spending Authority Policy — *Motion Required*

XI. **ANNOUNCEMENTS**

XII. **ADJOURNMENT** — Board President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

RESOLUTION NO. 1269

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT ACKNOWLEDGING THE APPOINTMENT OF WILLIAM F. NICHOLSON, MD AND JEANNIE YEE AS DIRECTORS OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

WHEREAS, members of the Board of Directors of the Washington Township Health Care District ("District") are elected by eligible voters residing within the geographic boundary of the District for terms of four years, with elections to fill seats for two or three members every two years; and

WHEREAS, at the last General Election held on November 5, 2024, the number of candidates for the office of Director of Washington Township Health Care District did not exceed the minimum number required to be elected director and no petition was filed requesting an election; and

WHEREAS, the District is in receipt of a separate "Certificate of Appointment and Oath of Office" from the Registrar of Voters dated December 5, 2024 for each of the following persons: William F. Nicholson, MD and Jeannie Yee, (attached to this Resolution as Exhibit 1) certifying that at the General Election held in and for the County of Alameda on November 5, 2024, each of the aforementioned persons "was appointed to the office of Washington Township Health Care District Director in which the number of candidates for said office did not exceed the number to be elected at the above entitled election."

NOW THEREFORE, THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

1. The Board of Directors hereby acknowledges receipt of a "Certificate of Appointment and Oath of Office" from the Registrar of Voters for each of the following persons: William F. Nicholson, MD and Jeannie Yee.
2. The Secretary of the Board of Directors of the District be and is hereby instructed to enter this Resolution into the District record acknowledging that William F. Nicholson, MD and Jeannie Yee have been appointed to the office of Director of the Board of Directors of the District.

Passed and adopted by the Board of Directors of the Washington Township Health Care District this 11th day of December, 2024 by the following vote:

AYES:

NOES:

ABSENT:

____
President, Board of Directors
Washington Township
Health Care District

____
Secretary, Board of Directors
Washington Township
Health Care District

CERTIFICATE OF REGISTRAR OF VOTERS PURSUANT TO SECTION 10515 OF THE CALIFORNIA ELECTIONS CODE CONCERNING THE GENERAL ELECTION HELD ON TUESDAY, NOVEMBER 5, 2024, IN THE WASHINGTON TOWNSHIP HEALTHCARE DISTRICT.

I, **TIM DUPUIS**, Registrar of Voters, County of Alameda, State of California, do hereby certify that the number of Directors to be elected at the General Election held on Tuesday, November 5, 2024, in the Washington Township Healthcare District, is: **Two**

I further certify that the number of nominees for Directors of Washington Township Healthcare, does not exceed the number of offices for Director to be filled at said election.

I further certify that the following candidates have been duly nominated for the elective office of Directors, Washington Township Healthcare District:

WILLIAM F. NICHOLSON

JEANNIE YEE

I hereby set my hand and my official seal this **5th day** of **December 2024**.

Cynthia Cerza

for **TIM DUPUIS**
Registrar of Voters
Alameda County
State of California

Washington Hospital Healthcare System

SINCE 1948

Memorandum

DATE: December 6, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: **Reappointment to the Washington Township Hospital Development Corporation Board of Directors**

The Washington Township Hospital Development Corporation is a public benefit (nonprofit) California Corporation, which is affiliated with the Health Care District. A five member Board of Directors governs the Washington Township Hospital Development Corporation (DEVCO). Its current Board of Directors consists of Russ Blowers, Pauline Weaver, Steven Chan, D.D.S., Sue Querner and Carol Dutra-Vernaci.

I am recommending for consideration by the Washington Township Health Care District Board of Directors, to reappoint the same five individuals for the 2025 calendar year.

Washington Hospital Healthcare System

SINCE 1948

Memorandum

DATE: November 18, 2024

TO: Kimberly Hartz, Chief Executive Officer

FROM: Mark Saleh, MD, Chief of Staff

SUBJECT: MEC for Board Approval:

The Medical Executive Committee, at its meeting on November 18, 2024, approved the modification of the Medical Staff Credential Policy.

Please accept this memorandum as a formal request for presentation to the Board of Directors for final approval of the attached Medical Staff Credential Policy.

OUTPUTPATIENT SERVICES AND REFERRAL FOR OUTPATIENT CARE ORDERING POLICY – This is a modification of the Medical Staff Credential Policy

Proposed Policy (which includes the Infusion Center):

The Medical Staff of Washington Hospital permits orders for outpatient services and referral of patients for outpatient care by:

1. **Members of the Medical Staff with appropriate clinical privileges, and**

2. **Other practitioners licensed by the State of California who are responsible for the care of patients to receive care and who are acting within the scope of their practice under California law. Such other practitioners shall document their licensure status and scope of practice at the time outpatient orders or patient referrals are made.**

Washington Hospital
Healthcare System
S I N C E 1 9 4 8

Memorandum

DATE: December 4, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Consideration of Approval of Project, Including the Purchase of Two Alinity ci-Series Abbott Chemistry Analyzers for the Laboratory Department

---

I am requesting approval of a project which includes the purchase of two new chemistry analyzers, Alinity ci-series by Abbott. Each analyzer consists of integrated chemistry and immunoassay modules which will replace two existing Abbott Architect instruments. Both instruments have reached beyond their useful technological life of 7 years. In 2024, both machines collectively received a total of 77 non-scheduled service calls. The chemistry analyzers perform 1.7M assays annually. This is 65% of the total test volume (2.6M) in the Laboratory last year. Optimum performance of these analyzers is one of the major key factors for patient throughput in ED, admissions, and discharges. Purchase of the Abbott Alinity ci-series will provide improved turnaround time for the Laboratory.

The total cost of implementation for the project will be $1,228,173. The project includes the purchase of two redundant Alinity Instruments, labor cost for interface build to integrate these analyzers with our EPIC/Beaker, method validations, shipping, and construction costs. The construction costs include installation of the equipment in a temporary location while we perform our validations, the installation in the final location in the lab, plumbing, electrical, anchoring of the Analyzers, and contingency. Below is the breakdown of the costs:

Equipment:	$ 765,012
Construction (includes $20,000 contingency):	$ 250,000
IT Labor:	$ 147,000
Consumables & Water System:	$ 66,161
Total:	$1,228,173

It is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the implementation of the chemistry analyzer project, not to exceed $1,228,173, that includes the purchase of the two Abbott Alinity ci-series Chemistry Analyzers, labor cost, installation, shipping and construction costs. This was included in the Fiscal Year 2025 Capital Budget.

Memorandum

DATE: December 3, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Biomedical Engineering - BD Alaris Pump Module Replacements

On July 21, 2023, Becton, Dickinson and Company (BD) received an FDA 510K clearance for their updated BD Alaris Infusion System, which contains the latest software (V12.3.1) that was mandated to remediate their previously reported recalls tied to software, hardware issues, as well as required cybersecurity enhancements. In order to satisfy this remediation requirement, the FDA is mandating that all of the BD Alaris Infusion system (pumps) in the United States be completely replaced by July 2026. In accordance with this clearance, BD Alaris will cover the expenses of pump module replacements for all units 7 years or less and Washington Hospital Healthcare System is responsible for covering the replacement costs for all pump modules that are older than 7 years.

Washington Hospital Healthcare System has identified 464 of the infusion pumps that are older than 7 years. Such units include the PCA modules, Large Volume Pump modules (LVPs), Syringe modules, PCU modules, and ETCO2 modules. Moreover, we have identified 392 of pump modules that are less than 7 years old that will be replaced at the expense of BD.

To ensure that Washington Hospital Healthcare System complies with this FDA mandate, we are requesting the Board of Directors authorize the purchase of 464 pump modules and the replacement of all 856 units of our Alaris BD Infusion pumps hospital wide. If the purchase order for the 464 Pumps is not approved by December 20, 2024, our replacement cost would increase over $1,500,000 in January 2025 and thereafter, due to the VIZIENT price changes and over 200 additional pump modules that will exceed the 7 year expected life and cause us to incur over $500k in additional repair costs. This request is based on a thorough needs assessment conducted by a multidisciplinary team comprising clinicians, finance, and hospital leaders.

It is requested that the Board of Directors authorize the Chief Executive Officer to use the FY25 capital contingency funds to proceed with the replacement of 464 BD Alaris Infusion pump modules that are 7 years or older, as part of the FDA 510(K) clearance issued to BD Alaris in the amount of $1,116,827, inclusive of shipping, installation and taxes.

Washington Hospital Healthcare System
SINCE 1948

Memorandum

DATE: December 3, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Consideration of Huron Consulting Support Services Agreement

The Healthcare System is interested in entering into a consulting support services agreement with Huron Consulting LLC. The scope of this agreement will include advisory and support services focused on the identification, and implementation, of opportunities around specialty and retail pharmacy, 340B program optimization, contract pharmacy expansion, enhanced reimbursement, and lower acquisition costs of high dollar medications.

Upon execution of this agreement, anticipated timeline to completion is twelve (12) to eighteen (18) months, specific/focused implementation activities will include:

- Retail/Specialty Pharmacy Strategy
- 340B Program Patient Definitions
- Contract Pharmacy Expansion
- Infusion Services & Drug Reimbursement

We are seeking approval to enter into this unbudgeted agreement that has two unique pay components. First is an upfront fixed fee of $250,000, invoiced at $25,000 a month over the first 10-months of the engagement starting in January 2025. Additionally, there will be a contingency payment at a rate of $0.35 on every dollar of implemented/realized benefit (increased revenue and/or cost avoidance from mutually agreed upon baseline calculations) that is verifiably achieved during the course of this engagement. The projected maximum benefit to the Healthcare System during the engagement is $3,800,000 and, if realized, would result in a contingency payment of $1,330,000. The benefit measure approval and calculation process will be coordinated and monitored by the project implementation team.

- WHHS Executive Sponsor (VP/COO)
- Director of Pharmacy
- Chief of Revenue Cycle & Contracting
- Chief Information Services
- Huron Consultants (assigned to project)

It is requested that the Board of Directors authorize the Chief Executive Officer to proceed with entering into the support services agreement with Huron Consulting LLC comprised of a fixed fee of $250,000, and a maximum contingency fee projected at $1,330,000.

Washington Township Health Care District

Annual Financial Report
June 30, 2024 and 2023

Washington Township Health Care District
Index
June 30, 2024 and 2023

pwc

Report of Independent Auditors

To the Board of Directors of Washington Township Health Care District

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and fiduciary activities of the Washington Township Health Care District (the "District") as of and for the years ended June 30, 2024 and 2023, including the related notes, which collectively comprise the District's basic financial statements as listed in the table of contents.
In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and fiduciary activities of the District as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS , will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages from 4 through 13 and the required supplementary information on page 57 through 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

[PricewaterhouseCoopers LLP (signed)]
San Francisco, California
December 11, 2024

Overview of the Financial Statements

The annual financial report consists of Management's Discussion and Analysis, financial statements and notes to those statements and required supplementary information. These statements are organized to present the Washington Township Health Care District (the District), the Washington Hospital Healthcare Foundation (the Foundation), the Warm Springs Health Center (JV-Warm Springs), and the WHHS & UCSF Health Cancer Services Joint Venture, LLC (JV-Oncology) as discrete financial entities, operating as a financial whole. Readers should also review the accompanying notes to the financial statements as they provide additional information that is essential to a full understanding of the District's, Foundation's, JV-Warm Springs', and JV-Oncology's financial statements.

The District is a political subdivision of the State of California organized under the Local Health Care District Law, as set forth in the Health and Safety Code of the State of California, and is considered a Local Government Agency. The District's mission is to provide broad healthcare services to its residents. The District's boundaries encompass an area of approximately 124 square miles in southern Alameda County. Included within the District's boundaries are the cities of Fremont, Newark, Union City, southern portions of Hayward and an unincorporated area of the County known as Sunol. The District operates Washington Hospital (the Hospital), a 415-bed licensed acute care hospital located in Fremont, California.

The District is the sole corporate member of Washington Township Hospital Development Corporation (DEVCO). DEVCO was formed in 1984 to train medical personnel, develop medical treatment programs, perform medical research and development, and render medical services to the general public. The DEVCO Board is appointed by the District's Board. DEVCO operates a radiation oncology center and also operates an outpatient rehabilitation center and an urgent care clinic. In July 2010, DEVCO purchased a controlling interest in the Washington Outpatient Surgery Center, LLC (WOSC) and has blended its financial statements since this date.

Peninsula Surgery Center LLC (PSC) is a joint venture between DEVCO, WOSC and private physicians that was formed in 2022. DEVCO holds the majority interest in the operating entity, PSC, and the holding company, Peninsula Surgical Partnership LLC (PSP). PSC and PSP are considered component units of DEVCO and are blended in DEVCO's financial statements.

DEVCO is the sole corporate member of Washington Township Medical Foundation (WTMF). WTMF was formed in 2010 to operate a multi-specialty medical clinic under the applicable provisions of the California Health and Safety Code. WTMF is a blended component unit of DEVCO and DEVCO is a blended component unit in the District's financial statements.

The accompanying financial statements include the accounts and transactions of the Hospital, DEVCO and WTMF. All significant inter-company accounts and transactions have been eliminated in the financial statements.

The Foundation was established to raise funds for the operation, maintenance, and modernization of the facilities of the District, its related corporations, and sponsored programs which benefit the District. JV-Warm Springs was established to provide a combination of primary care, multi-specialty care, urgent care and other outpatient services to the residents of the District. JV-Oncology was established to provide radiation oncology services at the District and is the beginning phase of a larger ambulatory cancer services affiliation between the District and University of California, San Francisco (UCSF) which are committed to providing the preeminent regional cancer program in the south east Bay Area.

The statements of net position and the statements of revenues, expenses, and changes in net position, provide an indication of the District's, the Foundation's, JV-Warm Springs', and JV-Oncology's financial health. The statements of net position include all of the District's, Foundation's, JV-Warm Springs' and JV-Oncology's assets, deferred outflows of resources, liabilities and deferred inflows of resources, using the accrual basis of accounting, as well as an indication about which portions of net position can be utilized for general purposes and which are restricted as a result of bond covenants, donor restrictions or other purposes. The statements of revenues, expenses, and changes in net position report all of the revenues and expenses and increases and decreases in net position during the time period indicated that resulted from the District's, the Foundation's, JV-Warm Springs', and JV-Oncology's operating and non-operating transactions during the year. For the District, the statements of cash flows report the cash provided by and used in operating activities, as well as other cash sources and uses such as investment income, repayment of bonds, and capital additions and improvements. Two of the primary statements, the statements of fiduciary net position and the statement of changes in fiduciary net position, present the financial position and operating activities for the District's pension and other post-employment medical benefits. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

In fiscal year 2024, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, effective for the District's fiscal year beginning July 1, 2023. This statement provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption did not have any impact on the District's consolidated financial statements.

Financial Highlights

- The District generated an operating loss of $29.5 million in fiscal year 2024, an operating loss of $39.3 million in fiscal year 2023, and an operating gain of $5.1 million in fiscal year 2022. The operating losses during the past two years were driven primarily by increasing consolidated operating expenses, particularly in salaries and employee benefits, which is exacerbated by the higher cost of living in the region in which the District operates. In addition, compounding inflationary pressures also resulted to higher cost of supplies and services.

- When non-operating income and special items are included, the District's activities resulted in a $14.8 million, $41.0 million, and $4.6 million decrease in net position for fiscal years 2024, 2023, and 2022, respectively.

- Despite the operating losses in fiscal years 2024 and 2023, the District continues to experience volume improvements. Net patient revenue improved by 6.2 percent ($37.1 million) from fiscal year 2023 and by 3.7 percent ($21.2 million) from fiscal year 2022, and is expected to further increase as a result of key strategic and operational improvement initiatives that the District has in its pipeline.

Analysis of the District's Net Position

- Total assets and deferred outflows of resources have fluctuated since 2022, at $1.2 billion in fiscal year 2024, compared to $1.1 billion in fiscal years 2023 and 2022. Cash and investments increased in 2024 due to positive financial market returns and the proceeds from the issuance of Series 2023 bonds. Decrease in net capital assets resulted from the increase in accumulated depreciation exceeding the net capital additions.

- Total liabilities increased by $161.2 million to $971.2 million at June 30, 2024 primarily due to the issuance of Series 2023 bonds, compared to an increase of $68.7 million at June 20, 2023 due to the increase in net pension liability as a result of the decline in financial market returns.

- Total net position of $249.6 million at June 30, 2024 was $14.8 million less than the net position of $264.4 million at June 30, 2023, and total net position at June 30, 2023 was $41.0 million less than the net position of $305.4 million at June 30, 2022, which is mainly due to losses on operations.

Table 1 provides a summary of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2024, 2023 and 2022:

(in thousands)	2024	2023	2022
Assets			
Current assets	$ 195,937	$ 163,377	$ 154,903
Long-term investment and restricted funds	371,885	216,763	236,919
Capital assets, net	599,235	612,011	637,054
Prepaid pension asset	-	-	36,970
Other assets	43,367	44,268	40,888
Total assets	1,210,424	1,036,419	1,106,734
Deferred outflows of resources	38,355	72,273	22,441
Total assets and deferred outflows of resources	$ 1,248,779	$ 1,108,692	$ 1,129,175
Liabilities and Net Position			
Current liabilities	$ 150,919	$ 131,705	$ 131,053
Net pension liability	52,379	69,065	-
Net postemployment medical benefits (OPEB)	41,143	42,548	37,676
Long-term lease and SBITA liabilities	18,523	15,886	8,476
Long-term debt	699,969	543,256	556,767
Other long-term liabilities	8,288	7,601	7,414
Total liabilities	971,221	810,061	741,386
Deferred inflows of resources	27,946	34,250	82,412
Net position			
Net investment in capital assets	47,060	63,618	92,959
Restricted − expendable	34,531	29,722	28,817
Restricted for minority interest	1,527	1,641	3,345
Unrestricted	166,494	169,400	180,256
Total net position	249,612	264,381	305,377
Total liabilities, net position and deferred inflows of resources	$ 1,248,779	$ 1,108,692	$ 1,129,175

Table 2 provides a summary of total available cash and investments as of June 30, 2024, 2023 and 2022:

(in thousands)	2024	2023	2022
Cash and cash equivalents and short-term investments	$ 66,073	$ 50,763	$ 40,962
Board-designated for capital and debt	180,886	176,628	198,857
Workers' compensation fund	9,332	8,921	8,912
Unexpended capital bond funds, excluding amounts required for current liabilities	181,622	31,155	29,108
Restricted funds	45	59	42
Total available cash and investments	$ 437,958	$ 267,526	$ 277,881

The District maintains sufficient cash, short-term investments and Board-designated balances to cover all short-term liabilities. All excess cash is transferred to Board-designated funds for future needs.

Net Capital Assets

Net capital assets decreased by $12.8 million to $599.2 million at June 30, 2024, compared to $612.0 million at June 30, 2023, and $637.1 million at June 30, 2022. This decrease resulted from the increase in accumulated depreciation exceeding the net capital additions. Net capital additions amounted to $22.5 million and $17.6 million in fiscal years 2024 and 2023, respectively. Increase in accumulated depreciation amounted to $47.4 million and $54.6 million in fiscal years 2024 and 2023, respectively. The majority of net capital additions includes purchases of equipment, constructions in building, and land improvements.

Debt Administration

As part of the obligations under the bond indentures for the 2015A, 2017A, 2017B, 2019A, 2020A and 2023A Series Revenue Bonds, the District has agreed that the Hospital will maintain a long-term debt service coverage ratio of no less than 1.1 to 1.0 on a yearly basis. The Hospital's long-term debt service coverage ratio was 3.21 to 1.0, 2.56 to 1.0, and 4.44 to 1.0 for the years ended June 30, 2024, 2023, and 2022, respectively. In its report issued August 22, 2023, Moody's assigned their rating of these bonds at Baa3, with a stable outlook.

Analysis of the District's Results of Operations

Table 3 shows the revenues, expenses, and changes in net position for the District for the years ended June 30, 2024, 2023 and 2022:

(in thousands)	**2024**	**2023**	**2022**
Operating revenues			
Net patient service revenues	$ 634,120	$ 596,975	$ 575,825
Other	18,391	27,132	13,438
Total operating revenues	652,511	624,107	589,263
Operating expenses			
Salaries and wages	297,224	285,560	263,643
Employee benefits	98,223	101,788	61,275
Supplies	89,719	81,308	77,982
Professional fees	88,350	79,058	71,683
Purchased services	45,803	46,599	43,617
Depreciation	45,144	52,398	50,403
Insurance	4,002	3,782	3,038
Other operating expenses	13,559	12,933	12,512
Total operating expenses	682,024	663,426	584,153
Operating (loss) income	(29,513)	(39,319)	5,110
Nonoperating revenues and expenses			
Federal grant revenue	4,344	550	1,410
Other nonoperating revenues and expenses, net	5,806	(345)	(10,594)
Total nonoperating revenues and expenses	10,150	205	(9,184)
Decrease in net position before minority interest and restricted funds	(19,363)	(39,114)	(4,074)
Additional minority interest capital received	-	-	500
Minority interest distributions	(1,850)	(2,049)	(1,684)
Contributions used for capital expenditures	6,444	167	674
Decrease in net position	(14,769)	(40,996)	(4,584)
Net position			
Beginning of year	264,381	305,377	309,961
End of year	$ 249,612	$ 264,381	$ 305,377

Net Patient Service Revenues

The District receives Federal funds through the Medicare program and State funds through the Medi-Cal program. The District also receives funds through the Alameda County Medi-Cal HMO program. These government payors account for approximately 71.8 percent, 70.9 percent, and 71.0 percent of the District's gross revenues in fiscal years 2024, 2023, and 2022, respectively. Commercial preferred provider organization (PPOs) and health maintenance organizations (HMOs) together comprise approximately 26.4 percent, 27.6 percent, and 27.4 percent of gross revenues in fiscal years 2024, 2023, and 2022, respectively, with the balance of gross revenues attributable to uninsured individuals.

Net patient service revenues increased $37.1 million (6.2 percent) to $634.1 million in fiscal year 2024, compared to $597.0 million in fiscal year 2023, and $575.8 million in fiscal year 2022.

Inpatient Business Activity

The District's gross inpatient revenue increased by $4.8 million (0.3 percent) to $1.383 billion in fiscal year 2024, compared to $1.378 billion in fiscal year 2023, and $1.375 billion in fiscal year 2022.

Table 4 presents the patient days for each year and the percentage changes:

	2024 Days	2023 Days	% Change 2024 v 2023	2022 Days	% Change 2023 v 2022
Specialty					
Medical/surgical	45,886	45,931	-0.1%	44,650	2.9%
Critical care	5,640	5,667	-0.5%	6,346	-10.7%
Special care nursery	1,265	1,328	-4.7%	1,061	25.2%
Pediatrics	263	438	-40.0%	215	103.7%
Obstetrics	4,080	4,371	-6.7%	3,970	10.1%
Subtotal adult and pediatric patient days	57,134	57,735	-1.0%	56,242	2.7%
Newborn	2,877	3,035	-5.2%	2,880	5.4%
Total patient days	60,011	60,770	-1.2%	59,122	2.8%

Admissions decreased by 144 (1.4 percent) to 10,459 in fiscal year 2024, compared to 10,603 in fiscal year 2023, and 9,739 in fiscal year 2022. The average length of stay decreased by 0.05 to 5.38 days in fiscal year 2024, compared to 5.43 in fiscal year 2023, and 5.65 in fiscal year 2022. The overall case mix index for the District, which is a measure of patient acuity, slightly increased to 1.593 in fiscal year 2024, compared to 1.542 in fiscal year 2023, and 1.594 in fiscal year 2022. The decrease in the length of stay was attributable to a fewer number of COVID-19 cases seen during the past two fiscal years, which generally have a higher acuity and longer length of stay. In addition, there are on-going operational improvement initiatives that focuses on reducing excess days by moving the patients appropriately within the system and getting them the right level of care.

Inpatient surgeries to 2,450 in fiscal year 2024, compared to 2,437 in fiscal year 2023 and 2,470 in fiscal year 2022. The most significant factor in this decrease was the migration of joint replacement procedures from the inpatient to the outpatient setting, with associated reductions to the reimbursement for these procedures. Depending on various risk factors, these procedures may still be done as inpatient procedures; however, this is now the exception, rather than the rule. In fiscal year 2024, 21.0 percent of joint procedures were classified as inpatient. In fiscal year 2023, it was 19.0 percent and in fiscal year 2022, it was 15.0 percent.

Outpatient Business Activity

The District's gross outpatient revenue increased by $108.7 million (9.8 percent) to $1.22 billion in fiscal year 2024, compared to $1.11 billion in fiscal year 2023, and $1.07 billion in fiscal year 2022. This is mainly due to the overall improvement in outpatient volumes, as well as the implementation of various operational initiatives to improve the quality of care delivered to patients and get them the right level of care. In addition, the movement of joint procedures from the inpatient to outpatient setting contributed to the increase.

Emergency room visits increased by 2,026 (3.5 percent) to 60,723 in fiscal year 2024, compared to 58,697 in fiscal year 2023.

Non-Emergency Outpatient visits decreased to 103,069 in fiscal year 2024, compared to 105,848 in fiscal year 2023, and 91,570 in fiscal year 2022.

Outpatient surgeries performed at the Hospital increased by 76 (2.4 percent) to 3,215 in fiscal year 2024, compared to 3,139 in fiscal year 2023, and 2,963 in fiscal year 2022.

Visits at WTMF increased 2,983 (1.4 percent) to 213,565 in fiscal year 2024, compared to 210,582 in fiscal year 2023, and 235,275 in fiscal year 2022 (inclusive of COVID visits). WTMF's telehealth visit platform provided over 19,000 telehealth visits in fiscal year 2024, over 25,000 telehealth visits in fiscal year 2023, and over 30,200 telehealth visits in fiscal year 2022. The decreasing trend in telehealth visits are due to less Covid-19 restrictions for in-person care and more competition from other virtual care providers.

Deductions from Revenue

Contractual allowance adjustments (expressed as a percentage of gross revenues) were 75.5 percent, 75.8 percent, and 74.72 percent for fiscal years 2024, 2023, and 2022, respectively. The increasing trend in contractual allowance adjustment percentages resulted primarily from increasing government payors and lower average payment rates from commercial payors due to changes in the mix of payors represented in these categories.

Charity Care

The District provides care without charge to all patients who meet certain criteria under its Charity Care Policy. Charity allowances are based upon the customary charges for the services provided under this program. The District recorded $2.7 million, $4.0 million, and $4.6 million in foregone charges related to charity care for patient services during fiscal years 2024, 2023, and 2022, respectively. Patients who are eligible for charity care are generally those without insurance who also meet income eligibility criteria. Private pay revenues decreased from $40.6 million in fiscal year 2022 to $36.4 million in fiscal year 2023 and increased to $48.2 million in fiscal year 2024.

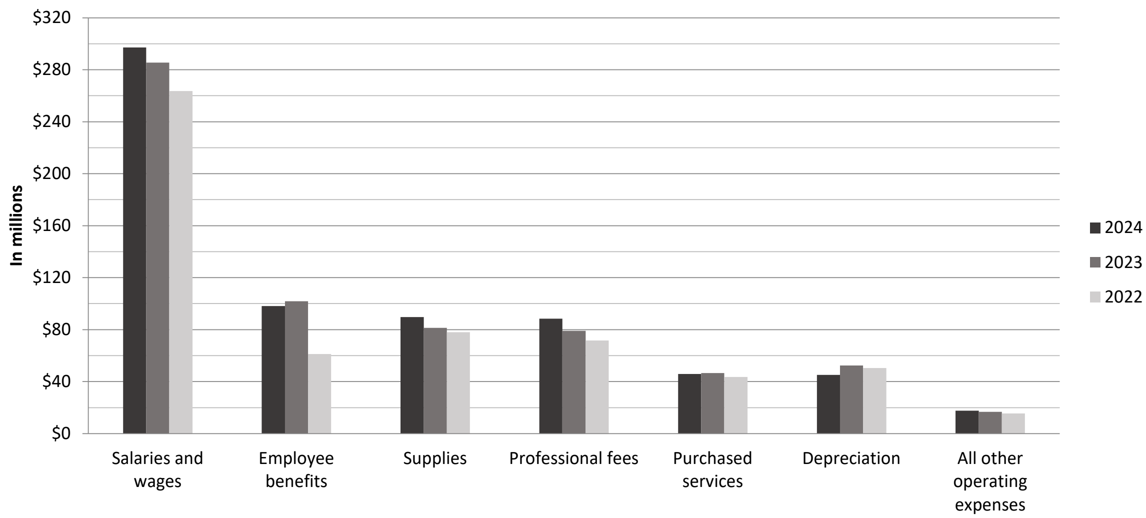
In addition to the charity care described above, the estimated cost in excess of reimbursement for medically indigent patients under Medi-Cal and Medi-Cal managed care programs was estimated at $75.0 million in 2024, compared to $78.0 million in 2023, and $66.0 million in 2022. Uncompensated services with an estimated total cost of more than $168.0 million in fiscal year 2024, $159.0 million in fiscal year 2023, and $139.0 million in fiscal year 2022 were provided to Medicare and Medicare managed care patients.

Provision for Bad Debt

The provision for bad debt (expressed as a percentage of gross revenues) was 1.66 percent in fiscal year 2024, 1.45 percent in fiscal year 2023, and 1.68 percent in fiscal year 2022.

Operating Expenses

Total operating expenses were $682.0 million, $663.4 million, and $584.2 million for fiscal years 2024, 2023, and 2022, respectively, the components of which are summarized in the graph below:



Total operating expenses increased by $18.6 million (2.8 percent) from fiscal year 2023 to fiscal year 2024, with the largest dollar increase attributable to salaries and wages, and the next largest dollar increase attributable to professional fees.

Total operating expenses increased by $79.2 million (13.6 percent) from fiscal year 2022 to fiscal year 2023, with the largest dollar increase attributable to employee benefits, and the next largest dollar increase attributable to salaries and wages.

Salaries and Benefits

- Salaries and wages increased by $11.7 million (4.1 percent) in fiscal year 2024, and by $21.9 million (8.3 percent) in fiscal year 2023. As of June 30, 2024, approximately 65.1 percent of the employees of the District are members of collective bargaining groups. These employees receive periodic pay increases through the various Memoranda of Understanding (MOU) that have been approved by the District's Board of Directors. The increase in salaries and wages were attributable to increases in wage rates under the MOUs and increases provided to non-represented employees. The District considers the increases under the MOUs to be in line with the current local wage environment. In addition, the nationwide shortage of health care workers and inflationary pressures contributed to higher cost of labor and increased overtime in fiscal year 2024.

- District-wide full-time equivalent employees (FTEs) were 1,971, 1,934, and 1,851 FTEs at June 30, 2024, 2023, and 2022, respectively.

- Employee benefits decreased by $3.6 million (3.5 percent) in fiscal year 2024 and increased by $40.5 million (66.1 percent) in fiscal year 2023. The largest component of this was the decrease in pension expense amounting to $5.4 million offset by rising health care benefit costs. Pension expense decreased due to better investment and financial market performance on the related asset portfolio during the fiscal year.

Other Operating Expenses

- The increase in professional services and supplies expenses in fiscal years 2024 and 2023 are related to inflationary pressures that have generally driven up the costs of supplies and services.

- Depreciation expense decreased by $7.3 million (13.8 percent) and increased by $2.0 million (4.0 percent) in fiscal years 2024 and 2023, respectively.

- The change in other operating expenses were not significant.

Net Non-operating Revenues and Expenses

Net non-operating revenues and expenses increased by $10.0 million and $9.4 million in fiscal years 2024 and 2023, respectively. The most significant changes in non-operating activity include:

- Favorable market returns in fiscal year 2024 resulted to $3.6 million unrealized gains on investments, compared to unrealized loss of $1.3 million in fiscal year 2023.

- Federal grant revenue amounted to $4.3 million, $0.6 million, and $1.4 million in fiscal years 2024, 2023, and 2022, respectively and will continue to decrease as several Federal COVID-19 Relief programs wind down.

Economic Factors Expected to Affect the District's 2024 Operations

The Board of Directors of the District approved the fiscal year 2025 operating budget at their June 2024 meeting. The operating budget was developed after a review of internal and external forces, key volume indicators and trends. It was based on the best information available during a time of significant uncertainty regarding deteriorating worldwide macro-economic conditions and as economic volatility persists. The budget focuses on revisiting and updating the implementation of growth strategies and cost savings meant to secure strong performance for the District for years to come. The budget incorporates the District's current Institutional Agenda as well as economic factors, such as estimated population growth and unemployment rates, lasting impact of inflation and volatile investment markets.

Downward pressures on reimbursement are expected to continue. In estimating net revenues for fiscal year 2025, the District has attempted to incorporate the continued effects of the changes in reimbursement from government, commercial and third party payors, based on the available information. Likewise, the future state of the Bay Area and the country's economy, which is also difficult to predict, could have a significant impact on the District's operations. Additional legislation at either the State or Federal level may affect the accuracy of many of the assumptions included in the budget estimate.

The fiscal year 2025 budget anticipates an increase in operating revenues combined with an increase in expenditures from the fiscal year 2024 level, primarily related to salaries and employee benefits, purchased and professional services, and supplies expenses. Salaries and wages are expected to increase as the number of full-time employees grow related to expanded services. Salary rates, employee benefits, purchased services and supply costs are all expected to maintain their increasing trajectory for the next few years due to increased volume and inflation. Utilities and software licenses are expected to grow as we continue to invest in technology for operational improvement. All other expense categories are expected to increase modestly in fiscal year 2025.

The District continues to explore and cultivate opportunities to improve its financial performance in both the short- and the long-term that should result in positive results of operations. This includes operational improvement initiatives to cut down costs of operations and key strategic investments in cancer care, level II adult trauma, urgent care, Warm Springs Health Center and Morris Hyman Critical Care Pavilion.

Washington Township Health Care District
Statements of Net Position
June 30, 2024 and 2023

(in thousands)	District 2024	District 2023	Foundation 2024	Foundation 2023	JV-Warm Springs 2024	JV-Warm Springs 2023	JV-Oncology 2024	JV-Oncology 2023
Assets								
Current assets								
Cash and cash equivalents	$ 31,542	$ 19,618	$ 4,280	$ 3,872	$ 4,065	$ 4,914	$ 1,179	$ 2,795
Short-term investments	34,531	31,145	8,431	426	-	-	-	-
Short-term investments held by District on behalf of Foundation	-	-	1,019	979	-	-	-	-
Patient accounts receivable, less allowance for estimated uncollectibles of $35,337 and $28,846 for the District, and $4,185 and $5,116 for the JV-Oncology in 2024 and 2023, respectively	90,937	79,528	-	-	-	-	1,946	1,704
Contributions receivable, net	-	-	106	137	-	-	-	-
Supplies	4,912	4,660	-	-	-	-	-	-
Other receivables	27,410	22,255	-	-	-	-	15,111	2,956
Prepaid expenses and other	6,605	6,171	105	73	-	-	589	56
Total current assets	195,937	163,377	13,940	5,487	4,065	4,914	18,826	7,511
Long-term investment and restricted funds								
Board-designated for capital, debt and workers' compensation	190,218	185,549	-	-	-	-	-	-
Held by trustee	181,622	31,155	-	-	-	-	-	-
Restricted funds	45	59	-	-	-	-	-	-
Capital assets, net	599,235	612,011	-	-	24,477	23,542	6,404	6,078
Other assets								
Contributions receivable, net	-	-	2,038	2,133	-	-	-	-
Other noncurrent assets	43,367	44,268	-	-	-	-	-	-
Total assets	1,210,424	1,036,419	15,978	7,620	28,542	28,456	25,230	13,589
Deferred outflows of resources								
Deferred outflows of resources − Goodwill	687	1,344	-	-	-	-	-	-
Deferred outflows of resources − Postemployment medical benefits (OPEB)	7,727	10,919	-	-	-	-	-	-
Deferred outflows of resources − Pension	29,941	60,010	-	-	-	-	-	-
Total deferred outflows	38,355	72,273	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,248,779	$ 1,108,692	$ 15,978	$ 7,620	$ 28,542	$ 28,456	$ 25,230	$ 13,589

The accompanying notes are an integral part of these financial statements.

Washington Township Health Care District
Statements of Net Position
June 30, 2024 and 2023

(in thousands)	District 2024	District 2023	Foundation 2024	Foundation 2023	JV-Warm Springs 2024	JV-Warm Springs 2023	JV-Oncology 2024	JV-Oncology 2023
Liabilities and Net Position								
Current liabilities								
Current portion of long-term debt	$ 10,334	$ 11,340	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable and accrued expenses	49,820	38,828	-	-	536	273	6,193	1,618
Due to Foundation	1,030	979	-	-	-	-	-	-
Due to third party payors and unearned revenue	5,587	4,597	-	-	-	-	-	-
Accrued liabilities								
Payroll related	15,165	12,338	-	-	-	-	-	-
Vacation	22,078	21,434	-	-	-	-	-	-
Health benefits	4,866	5,567	-	-	-	-	-	-
Interest	13,953	10,476	-	-	-	-	45	47
Other	28,086	26,146	-	-	-	-	238	203
Total current liabilities	150,919	131,705	-	-	536	273	6,476	1,868
Long-term liabilities								
Workers' compensation claims	8,288	7,601	-	-	-	-	-	-
Net postemployment medical benefits (OPEB)	41,143	42,548	-	-	-	-	-	-
Long-term lease and SBITA liabilities	18,523	15,886	-	-	-	-	2,411	2,394
Net Pension Liability	52,379	69,065	-	-	-	-	-	-
Long-term debt, net of current maturities	231,669	201,106	-	-	-	-	-	-
Long-term debt, general obligation bonds	468,300	342,150	-	-	-	-	-	-
Total long-term liabilities	820,302	678,356	-	-	-	-	2,411	2,394
Total liabilities	971,221	810,061	-	-	536	273	8,887	4,262
Deferred inflows of resources								
Deferred inflows of resources − Postemployment medical benefits (OPEB)	6,095	9,017	-	-	-	-	-	-
Deferred inflows of resources − Pension	957	1,845	-	-	-	-	-	-
Deferred inflows of resources − Lease obligations	20,894	23,388	-	-	-	-	-	-
Total deferred inflows	27,946	34,250	-	-	-	-	-	-
Net position								
Net investment in capital assets	47,060	63,618	-	-	12,483	12,006	3,967	3,434
Restricted − expendable	34,531	29,722	5,772	7,435	-	-	-	-
Restricted for minority interest − nonexpendable	1,527	1,641	-	-	13,723	13,810	8,006	4,568
Unrestricted	166,494	169,400	10,205	185	1,800	2,367	4,370	1,325
Total net position	249,612	264,381	15,978	7,620	28,006	28,183	16,343	9,326
Total liabilities, deferred inflows of resources and net position	$ 1,248,779	$ 1,108,692	$ 15,978	$ 7,620	$ 28,542	$ 28,456	$ 25,230	$ 13,589

The accompanying notes are an integral part of these financial statements.

Washington Township Health Care District
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024 and 2023

(in thousands)	District 2024	District 2023	Foundation 2024	Foundation 2023	JV-Warm Springs 2024	JV-Warm Springs 2023	JV - Oncology 2024	JV - Oncology 2023
Operating revenues								
Net patient service revenues	$ 634,120	$ 596,975	$ -	$ -	$ -	$ -	$ 12,398	$ 4,657
Other	18,391	27,132	-	-	-	-	-	-
Contributions	-	-	15,385	3,856	-	-	-	-
Contributed services	-	-	783	1,037	-	-	-	-
Total operating revenues	652,511	624,107	16,169	4,893	-	-	12,398	4,657
Operating expenses								
Salaries and wages	297,224	285,560	-	-	-	-	-	-
Employee benefits	98,223	101,788	-	-	-	-	-	-
Supplies	89,719	81,308	-	-	-	-	-	4
Professional services	88,350	79,058	-	-	-	-	134	206
Purchased services	45,803	46,599	-	-	104	207	4,077	1,366
Depreciation	45,144	52,398	-	-	-	-	881	324
Insurance	4,002	3,782	-	-	18	18	32	13
Donations	-	-	6,799	654	-	-	-	-
Other operating expenses	13,559	12,933	1,303	1,283	54	33	149	58
Total operating expenses	682,024	663,426	8,102	1,937	177	258	5,273	1,972
Operating (loss) income	(29,513)	(39,319)	8,067	2,956	(177)	(258)	7,125	2,685
Non-operating revenues and expenses								
Federal grant revenue	4,344	550	-	-	-	-	-	-
Investment income	6,742	4,635	291	52	-	-	-	-
Net increase (decrease) in the fair value of investments	1,847	(1,771)	-	-	-	-	-	-
Interest expense, including amortization of premiums and discounts on bonds payable	(21,376)	(22,121)	-	-	-	-	(108)	(47)
Property tax revenue	16,626	18,194	-	-	-	-	-	-
Other non-operating income	1,967	718	-	-	-	-	-	-
Total non-operating (expenses) and revenues, net	10,150	205	291	52	-	-	(108)	(47)
(Decrease) increase in net position before other changes	(19,363)	(39,114)	8,358	3,008	(177)	(258)	7,017	2,638
Minority interest − Distributions to	(1,850)	(2,049)	-	-	-	-	-	-
Contributions used for capital expenditures	6,444	167	-	-	-	-	-	-
Capital contributions to joint venture formation	-	-	-	-	-	-	-	6,688
(Decrease) increase in net position after other changes	(14,769)	(40,996)	8,358	3,008	(177)	(258)	7,017	9,326
Net position								
Beginning of year	264,381	305,377	7,620	4,612	28,183	28,441	9,326	-
End of year	$ 249,612	$ 264,381	$ 15,978	$ 7,620	$ 28,006	$ 28,183	$ 16,343	$ 9,326

The accompanying notes are an integral part of these financial statements.

Washington Township Health Care District
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

(in thousands)	District 2024	District 2023
Cash flows from operating activities		
Cash received from patient service activities	$ 622,711	$ 607,930
Other cash receipts	18,391	27,132
Cash payments to suppliers	(223,735)	(216,084)
Cash payments to employees and employee benefit programs	(383,154)	(368,810)
Net cash provided by operating activities	34,213	50,168
Cash flows from noncapital financing activities		
Donation from Foundation to District	343	469
Net assets distributed to minority shareholders in WOSC, LLC	(1,850)	(2,049)
Federal grant receipts	4,344	550
Net cash provided by (used in) noncapital financing activities	2,837	(1,030)
Cash flows from capital and related financing activities		
Purchases of capital assets	(22,427)	(17,564)
Rental receipts	4,529	4,893
Donation from Foundation to District	6,444	167
Principal paid on debt and lease	(17,165)	(22,736)
Interest paid on debt	(27,951)	(25,359)
Proceeds from debt issuance, net of issuance costs	162,990	35
Proceeds from property taxes levied by the County	17,235	19,391
Net cash provided by (used in) capital and related financing activities	123,655	(41,173)
Cash flows from investing activities		
Purchases of investments	(311,434)	(144,232)
Sales of investments	152,384	139,113
Investment income	6,554	5,471
Purchase of interest in equity investments	-	-
Other non-operating income	3,715	235
Net cash used in investing activities	(148,781)	587
Net increase in cash and cash equivalents	11,924	8,552
Cash and cash equivalents		
Beginning of year	19,618	11,066
End of year	$ 31,542	$ 19,618
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating loss	$ (29,513)	$ (39,319)
(Gain) loss on disposal of fixed asset	(709)	2,280
Impairment of fixed asset	1,085	-
Depreciation and amortization	46,323	54,602
Provision for doubtful accounts	43,017	36,060
Amortization of goodwill	657	672
Pension funding	(2,125)	(5,925)
Postemployment medical benefits (OPEB) funding	(3,363)	(2,475)
Net change in deferred outflows and inflows	14,354	23,499
Changes in assets and liabilities		
Accounts receivable	(54,426)	(25,105)
Supplies, prepaid expenses, and other current assets	(4,819)	(7,010)
Other assets	4,658	19,251
Due to Foundation	51	15
Due from/to third party payors	(4,373)	(22,226)
Accounts payable and accrued expenses	8,375	11,501
Payroll, vacation, and health accrued liabilities	2,770	2,767
Other liabilities	12,251	1,581
Net cash provided by operating activities	$ 34,213	$ 50,168
Noncash transactions		
Accounts payable and accrued expenses for property and equipment purchases	$ 2,536	$ 290
Change in fair value of investments	3,588	(1,341)
Capital assets acquired through leases	10,390	16,099
Capital assets acquired through SBITA's	1,528	934

The accompanying notes are an integral part of these financial statements.

Washington Township Health Care District
Statements of Fiduciary Net Position
December 31, 2023 and 2022[1]

(in thousands)	Pension and OPEB Trust Funds 2024	2023
Assets		
Cash and cash equivalents	$ 2,477	$ 2,337
Investments at fair value		
Mutual funds		
Fixed income funds	127,930	106,398
Domestic equity funds	152,640	140,743
International equity funds	92,680	89,877
Balanced real asset funds	79,379	76,306
Commodity funds	1,371	1,324
Real estate funds	1,464	1,351
Infrastructure funds	490	450
Total investments	455,954	416,449
Total assets	$ 458,431	$ 418,786
Liabilities and Net Position		
Liabilities		
Accounts payable and other liabilities	$ -	$ -
Total liabilities	-	-
Net position		
Restricted for		
Pensions	430,862	395,366
OPEB	27,569	23,420
Total liabilities and net position	$ 458,431	$ 418,786

1 Information regarding fiduciary funds is presented as of the measurement date of December 31, the plan year end for the Pension and OPEB Plans.

The accompanying notes are an integral part of these financial statements.

Washington Township Health Care District
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2023 and 2022[1]

	Pension and OPEB Trust Funds	
	Years ended	
(in thousands)	**2023**	**2022**
Additions		
Contributions		
Members	$ 2,620	$ 2,180
Employers	2,700	11,400
Total contributions	5,320	13,580
Investment earnings		
Net increase (decrease) in fair value of investments	58,305	(84,746)
Interest, dividends, and other	1,651	9,656
Total investment income (loss)	59,956	(75,090)
Less: Investment costs:		
Investment activity (credit) costs	(1,221)	529
Net investment income (loss)	61,177	(75,619)
Total additions	66,497	(62,039)
Deductions		
Benefits paid to participants or beneficiaries	24,325	22,859
Administrative expense	247	346
Other disbursements	2,280	385
Total deductions	26,852	23,590
Net increase (decrease) in fiduciary net position	39,645	(85,629)
Net position		
Beginning	418,786	504,415
Ending	$ 458,431	$ 418,786

1 Information regarding fiduciary funds is presented as of the measurement date of December 31, the plan year end for the Pension and OPEB Plans.

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

District

Washington Township Health Care District (the District) is a political subdivision of the State of California organized under the Local Health Care District Law, as set forth in the Health and Safety Code of the State of California, and is considered a Local Government Agency (Local Agency). It is exempt from federal and state income taxes. The District's mission is to provide broad healthcare services to its residents. The District's boundaries encompass an area of approximately 124 square miles in southern Alameda County. The District operates Washington Hospital (the Hospital), a 415-bed licensed acute care hospital located in Fremont, California. Included within the District boundaries are the cities of Fremont, Newark and Union City, the southern portions of the city of Hayward and the unincorporated area known as Sunol.

The District is the sole corporate member of Washington Township Hospital Development Corporation (DEVCO). DEVCO was formed in 1984 to train medical personnel, develop medical treatment programs, perform medical research and development, and render medical services to the general public. The DEVCO Board is appointed by the District's Board. DEVCO operates a radiation oncology center and also operates an outpatient rehabilitation center and an urgent care clinic. In July 2010, DEVCO purchased a controlling interest in the Washington Outpatient Surgery Center, LLC (WOSC) and has blended its financial statements since this date.

Peninsula Surgery Center LLC (PSC) is a joint venture between DEVCO, WOSC and private physicians that was formed in 2022. DEVCO holds the majority interest in the operating entity, PSC, and the holding company, Peninsula Surgical Partnership LLC (PSP). PSC and PSP are blended component units of DEVCO.

DEVCO is the sole corporate member of its blended component unit, Washington Township Medical Foundation (WTMF). WTMF was formed in November 2010 to operate a multi-specialty medical clinic under the applicable provisions of the California Health and Safety Code. WTMF is a blended component unit of DEVCO.

The accompanying financial statements include the accounts and transactions of the Hospital, DEVCO, WOSC, PSC, PSP and WTMF. All significant inter-company accounts and transactions have been eliminated in the financial statements.

Foundation

Washington Hospital Healthcare Foundation (the Foundation), founded in 1982, is a California non-profit corporation. The Foundation was established to raise funds for the operation, maintenance, and modernization of the facilities of the District, its related corporations, and sponsored programs which benefit the District. Accordingly, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 2000 Mowry Avenue, Fremont, CA 94538.

JV-Warm Springs and JV-Oncology

Warm Springs Health Center Partnership, LLC (JV-Warm Springs) was established in October 2021 and is a California limited liability corporation for federal and state tax purposes. JV-Warm Springs is a joint venture between the District and the University of California at San Francisco (UCSF). This joint venture was established to handle the management, design and construction of the building that these two entities own through a Tenants In Common Agreement, and to provide a combination of primary care, multi-specialty care, urgent care and other outpatient services to the residents of the District.

WHHS & UCSF Health Cancer Services Joint Venture, LLC (JV-Oncology) was established in February 2023 to jointly provide radiation oncology services at the Hospital. The District and UCSF share the vision of combining their strengths to become the leading cancer services program in the region providing world-class care to oncology patients closer to their homes. The radiation oncology joint venture is the beginning phase of a larger ambulatory cancer services affiliation between the District and UCSF. Through the evolution of this joint venture in cancer care, the District and UCSF are committed to providing the preeminent regional cancer program in the south east Bay Area.

The District's holding of a majority equity interest in JV-Warm Springs and JV-Oncology does not meet the definition of an investment and the holding of the majority equity interest results in the District being financially accountable for the organizations. JV-Warm Springs and JV-Oncology do not meet the criteria for blending, and therefore are discretely presented component units in the District's financial statements.

Accounting Standards
District
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the economic resources measurement focus and the accrual basis of accounting. The District follows accounting principles issued by the Government Accounting Standards Board (GASB).

Foundation
As a non-profit organization, the Foundation reports under the Financial Accounting Standards Board (FASB) standards, including generally accepted accounting principles for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. For purposes of the District's financial statements, the Foundation's financial statements have been conformed to GASB presentation.

JV-Warm Springs and JV-Oncology
As the District's officials appoint a controlling majority of the members of the JV-Warm Springs and JV-Oncology's governing body, these two organizations are considered governmental. As such, JV-Warm Springs' and JV-Oncology's financial statements are reported under GASB requirements.

Fiduciary Component Units
The District administers a pension plan and an OPEB plan through trust arrangements. The District is obligated to make contributions to the plans and as such the plans meet the criteria for being considered fiduciary component units of the District.

Use of Estimates
The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The District's most significant estimates relate to patient accounts receivable allowances, amounts due to third-party payors, self-insurance liabilities and employee benefit costs. Estimates related to employee benefit costs include actuarial estimates of pension and OPEB obligations.

Proprietary Fund Accounting
The District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis and financial statements are prepared using the economic resources measurement focus.

Cash and Cash Equivalents
Cash and cash equivalents include highly liquid debt instruments with an original maturity of three months or less. Cash equivalents held in short-term investments and long-term investments and restricted funds are treated as investments and are not included in cash and cash equivalents on the Statement of Cash Flows.

Due to the District's status as a Local Agency, amounts in the District's deposit accounts are considered to be public funds, which, by State statute, are required to be collateralized, with pledged securities, by the depository bank. The value of the pledged securities, in addition to the deposit insurance provided by the Federal Deposit Insurance Corporation, equals or exceeds the District's carrying value. Collateral is held by the depository bank's trust department in the name of the District.

Long-Term Investments and Restricted Funds
Long-term investments and restricted funds are invested in corporate debt securities, United States Treasury bonds and government agency debt issues. These investments are measured at fair value, which is determined based upon quoted market prices. These investments are exposed to various risks, such as interest rate, market and credit risks. Investments set aside for future capital improvements, or for funding insurance are considered to be Board-designated funds. These and other investments, whose use has been limited by financial arrangements, are classified as long- or short-term investment funds. Investments whose use by the District has been limited by Foundation donors to a specific time period or purpose are classified as restricted funds.

Capital Assets
Capital assets are recorded at cost. District assets with an original cost of $500 or more are considered capital assets. Expenditures that substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs are expensed as incurred.

Depreciation is provided over the useful life of each class of depreciable assets and is computed using the straight-line method.

Depreciable lives by property classification are as follows:

Land improvements	2–25 years
Buildings	10–40 years
Right-to-use lease and subscription-based IT arrangement assets	5–17 years
Fixed and moveable equipment	3–20 years

Deferred Inflows and Outflows of Resources
In addition to assets, liabilities and net position, the statements of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow represents a consumption or use of net position, applicable to a future period that will not be recognized as an outflow (expense) until that future period. Similarly, a deferred inflow represents an acquisition of net position, applicable to a future period that will not be recognized as an inflow (revenue) until that future period. The District has deferred outflows of resources related to goodwill, and both deferred inflows and deferred outflows of resources related to pension and other

postemployment medical benefits (OPEB) both of which are described further under Note 9, Employee Benefit Plans. The District also records deferred inflows related to leases.

Net Position
Net position is composed of the following categories:

Net Investment in Capital Assets
Capital assets, net of accumulated depreciation reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Expendable
Net position, whose use is subject to externally-imposed restrictions that can be fulfilled by actions of the District, pursuant to those restrictions, or that expire by the passage of time.

Restricted for Minority Interest - Nonexpendable
The District is involved in several joint ventures with outside entities in which it maintains majority ownership interest. The minority interest in these joint ventures includes:

(in thousands)	2024	2023
Washington Outpatient Surgery Center	$ 3,604	$ 4,422
Peninsula Surgical Partnership and Peninsula Surgery Center	$ (2,077)	$ (2,782)
Restricted for minority interest − nonexpendable	$ 1,527	$ 1,641

Unrestricted
Net position that is neither restricted nor included in net investment in capital assets. Unrestricted net position may be designated for specific purposes by management or the Board of Directors.

When an expense is incurred where both restricted and unrestricted net positions are available for use, the restricted net position is applied first.

Risk Management
The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; employee health, dental, and accident claims; and medical malpractice. The District utilizes both commercial insurance and self-insurance for claims arising from such matters. The District is self-insured with excess insurance above specified retention amounts for workers' compensation claims, health, vision and dental claims. The District has commercial insurance coverage for professional and general liability, directors' and officers' liability, and property damage claims.

Self-Insurance Plans
The District is self-insured for workers' compensation benefits for employees, up to a specified retention amount. An actuarial estimate of future claims payments, up to the retention amount, are accrued as a long-term liability. This estimate is based on the expected, undiscounted payments. Assets have been set aside for future payments of workers' compensation benefits, related expense, and the cost of administering the plan. These assets are classified as long-term investment funds in the accompanying financial statements.

The District provides eligible employees with health, vision and dental benefits through self-insured programs administered by Health Comp, OptumRx, Vision Service Plan and Delta Dental, respectively. The accrued liabilities for claims arising from these programs are estimated based upon annual actuarial reviews and are recorded at the expected, undiscounted amounts.

The District is a member of and participates in a professional and general liability and also directors' and officers' liability coverage group insurance program through BETA Healthcare Group (BETA). BETA is a joint powers authority whose members are primarily district hospitals and county facilities in California. Amounts paid to BETA by each member represent actuarially determined assessments of claims payable, and estimated incurred, but not reported, claims that are adjusted periodically based on the claims experience for each insured member. Claims in excess of specified insured limits are the responsibility of individual program participants.

The District's BETA professional and general liability insured program is on a "claims-made" basis, with a deductible and $40.0 million limits. The District converted coverage for these liabilities from occurrence-based to claims-made on July 1, 2004. The District records actuarially-determined liabilities related to this coverage for 1) deductible amounts for currently open claims, 2) tail liability (based on claims associated with occurrences subsequent to July 1, 2004), and 3) unreported claims from occurrences prior to July 1, 2004 (subject to the deductible limit). The accrued liabilities are recorded at the expected, undiscounted amounts.

Concentration of Credit Risk
District
Financial instruments that potentially subject the District to concentration of credit risk consist principally of cash equivalents and patient accounts receivable.

The District invests its cash and cash equivalents in highly rated financial instruments including insured deposits and the Local Agency Investment Fund (LAIF). All of the District's investments, including assets held by trustees, are collateralized and/or are held by the District, or its agent, in the District's name. Other than U.S. Treasury obligations, LAIF funds, and money market mutual funds, there is no significant concentration in one investment or group of similar investments.

The District's concentration of credit risk relating to patient accounts receivable is limited by the diversity and number of the District's patients and payors. Patient accounts receivable consists of amounts due from governmental programs, commercial insurance companies, private pay patients and other group insurance programs. Medicare (23.1 percent), Medicare HMO (23.3 percent) and Medi-Cal HMO (16.3 percent) are the only payors representing more than ten percent of the District's net patient accounts receivable as of June 30, 2024. The District maintains an allowance for doubtful accounts based on the expected collectability of patient accounts receivable.

Statements of Revenues, Expenses, and Changes in Net Position
For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenues and expenses. Peripheral or incidental transactions, which include federal grant revenues, property tax revenues, interest expense, investment income, changes in unrealized gains and losses, rental income and bond issuance costs are reported as non-operating revenues and expenses.

Net Patient Service Revenues
Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Reimbursement from third-party payors

under various methodologies is based on the level of care provided. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Retroactive adjustments, related to prior years, including adjustments to prior year estimates, increased net patient service revenues by approximately $15.0 million in fiscal year 2024 and approximately $9.0 million in fiscal year 2023.

Laws and regulations governing the Medicare and Medi-Cal programs are complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change.

Charity Care
The District provides care without charge to all patients who meet certain criteria under its Charity Care Policy. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not included in net patient service revenues. The District subsidizes the cost of treating patients who are on governmental assistance, where reimbursement is below cost. The District recorded $2.7 million and $4.0 million in foregone charges related to charity care for patient services during fiscal years 2024 and 2023, respectively.

Other Revenues
Other revenues include revenues from cafeteria, laundry, dietary and certain DEVCO operations. Other revenues also include funding under the State of California's Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program and the Quality Incentive Pool (QIP) program. Amounts recorded for the QIP program were $3.8 million and $9.5 million in fiscal year 2024 and fiscal year 2023, respectively.

Interest Income and Expense
Interest expense on debt issued for construction projects and income earned on the funds held pending use are recorded as income or expense in the period they are earned or incurred.

Impairment of Long-Lived Assets
The District is required to evaluate material events or changes in circumstances to determine whether an impairment loss should be recorded and that any insurance recoveries be netted with the impairment loss. Based on management's evaluation, there were no material impairment losses in fiscal years 2024 and 2023.

Income Taxes
District
The District operates under the purview of the Internal Revenue Code, Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to state or federal taxes on income. However, income from the unrelated business activities of the District may be subject to income taxes.

DEVCO, WTMF and Foundation
DEVCO, WTMF and the Foundation are California non-profit corporations; exempt from federal and state income tax as a 501(c) (3) organizations.

PSP, PSC, WOSC, JV-Warm Springs and JV-Oncology
These entities are all California limited liability corporations and are subject to state tax but are treated as pass-through entities for federal income tax purposes.

Property Tax Revenue
The District receives property taxes that are assessed by Alameda County for the service of the general obligation bond principal and interest payments. The District records these revenues as non-operating revenues.

Contributions used for Capital Items
Donations received that are restricted as to use, and have been used, for the purchase of capital items are reported as other changes to net position.

New Accounting Pronouncements
Pending Adoption
In June 2022, the GASB issued Statement No. 101, *Compensated Absences,* effective for financial statements beginning after December 15, 2023 (fiscal year 2025 for the District), with earlier adoption encouraged. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Management is currently evaluating the effect of this standard on the District's financial statements.

In January 2024, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for financial statements beginning after June 15, 2024 (fiscal year 2025 for the District), with earlier adoption encouraged. This statement establishes accounting and financial reporting requirements which require an assessment on whether a concentration or constraint makes the District or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact, and whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued. Management is currently evaluating the effect of this standard on the District's financial statements.

In May 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for financial statements beginning after June 15, 2025 (fiscal year 2026 for the District). This statement provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Management is currently evaluating the effect of this standard on the District's financial statements.

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for financial statements beginning after June 15, 2025 (fiscal year 2026 for the District). The standard requires that certain types of capital assets, such as lease assets by major class of underlying asset, and right-to-use assets arising from subscription-based information technology arrangements, be disclosed separately in capital asset not disclosures. The standard also requires that capital assets be reported as capital assets held for sale if the government has decided to pursue a sale of the asset and it is probable that the sale will be finalized within one year of the financial statement date; it also requires additional note disclosures about capital assets held for sale.

Adopted
In fiscal year 2024, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, effective for the District's fiscal year beginning July 1, 2023. This statement provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption did not have any impact on the District's consolidated financial statements.

2. Patient Revenues

Patient revenues consist of the following:

(in thousands)	**2024**	**2023**
Gross patient charges		
Routine inpatient services	$ 460,247	$ 420,962
Ancillary inpatient services	922,580	957,051
Outpatient services	1,216,765	1,108,024
	2,599,592	2,486,037
Less: Charity care	(2,724)	(4,003)
Gross patient service revenues	2,596,868	2,482,034
Deductions from gross patient service revenues		
Contractual allowances for statutory and negotiated rates	1,919,731	1,848,999
Provision for doubtful accounts	43,017	36,060
	1,962,748	1,885,059
Net patient service revenues	$ 634,120	$ 596,975

The District has agreements with third-party payors that provide for payments to the District at amounts that differ from established rates. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The District also receives Medicare Disproportionate Share (D

SH) reimbursements for services provided to a disproportionate percentage of low-income patients. The Medicare program pays hospitals for outpatient services under the prospective payment system known as Ambulatory Payment Classifications (APCs). Under APCs, the District is paid a prospectively determined rate based on the diagnosis and procedures provided to patients. Outpatient physical therapy, speech therapy, occupational therapy, and laboratory are paid based upon prospectively determined fee schedules. The Hospital is reimbursed for cost reimbursable items at a tentative rate, with final settlements determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's cost reports have been finalized for all fiscal years through June 30, 2020. Inpatient services provided to Medi-Cal program beneficiaries are reimbursed under an All Patient Refined Diagnosis Related Group (APR-DRG) payment methodology. Outpatient services provided to Medi-Cal beneficiaries are reimbursed according to a state fee schedule.

The District has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The methods for payment under these agreements include prospectively determined rates-per-discharge, discounts from established charges, and prospectively determined per diem rates. The District receives reimbursement from various payors under the State of California Division of Workers' Compensation program, based upon a pre-determined fee schedule.

Billings relating to services rendered are recorded as net patient service revenue in the period in which the service is performed, net of contractual and other allowances, which represent differences between gross charges and the estimated receipts under such programs. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Receivables for patient care are also reduced for allowances for uncollectible accounts.

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. Account balances are written off against the allowance when management determines it is probable the receivable will not be recovered. The use of historical collection and payor reimbursement experience is an integral part of the estimation of reserves for uncollectible accounts. Revisions in estimated reserves for uncollectible accounts are recorded as an adjustment to the provision for bad debts.

There is ongoing uncertainty about reimbursements from government programs. The Centers for Medicare and Medicaid Services have proposed reductions in rates, which could result in decreases in Medicare reimbursements. The State budget contains proposed health care budget cuts that may affect reimbursements for Medi-Cal services. The ultimate outcome of these proposals and other market changes cannot presently be determined.

The District participates in several State and Federal supplemental payment programs that allow it and other governmental agencies to draw down unspent Medi-Cal funds, up to the Federal upper payment limit. The primary mechanism used for drawing down these funds is intergovernmental transfers, whereby Districts transfer funds to the State, who then transmits the funds to the Federal government to draw down the Federal matching funds. In fiscal years 2024 and 2023, the District recognized $26.5 million and $20.6 million, respectively, in supplemental funding obtained through these programs, including the following:

(in thousands)	2024	2023
Hospital Quality Assurance Fee	$ 4,555	$ 5,126
Rate Range	15,040	4,000
Public Hospital Redesign and Incentives in Medi-Cal Program	3,771	9,497
AB915 Public Hospital Outpatient Services Supplemental Reimbursement Program	1,110	1,145
AB113 Medi-Cal Fee-for-Service Payment Supplement	2,034	842
Total gross patient revenues	$ 26,510	$ 20,610

In fiscal year 2020, the State announced that they were recalculating amounts paid to all District Hospitals under the Public Hospital Outpatient Services Supplemental Reimbursement Program from 2003 to 2017 due to an error in the State's original calculations. It is anticipated that these recalculations may result in recoupment of amounts previously recorded, however the State has not yet finalized its analysis. The District had recorded a reserve of $2.5 million as of June 30, 2024 and 2023, based on the District's preliminary calculations of the potential recoupment amount.

The composition of gross patient revenues by major payor type is as follows:

(in thousands)	**2024**	**2023**
Medicare and Medicare HMO	$ 1,373,753	$ 1,269,819
Medi-Cal and Medi-Cal HMO	492,224	493,071
Commercial PPO, HMO and others	685,391	686,727
Private pay	48,225	36,420
Total gross patient revenues	$ 2,599,592	$ 2,486,037

3. Related-Party Transactions

One of the District board members is an officer of the District's primary banking institution. As of June 30, 2024 and June 30, 2023, respectively, the District's balances on deposit with the primary banking institution were as follows: cash and cash equivalents $31.5 million and $19.6 million, Board-designated for capital and workers compensation $150.7 million and $144.0 million. Banking and investment fees paid were $0.4 million for fiscal year 2024 and $0.5 million for fiscal year 2023.

4. Fair Value

The fair value of certain assets has been estimated using available market information and appropriate valuation methodologies. A fair market value hierarchy for valuation inputs has been established to prioritize them into levels based on the extent to which inputs used in measuring fair value are observable in the market. The level assigned to a particular financial instrument is determined by the lowest level input that is significant to the fair value measurement in its entirety.

These levels are as follows:

Level 1 Values are based on quoted prices (unadjusted) available in active markets for identical assets or liabilities as of the measurement date. Level 1 investments include equity securities and other publicly traded securities. The District has no Level 1 assets or liabilities.

Level 2 Values are based on quoted prices in non-active markets, dealer quotations, or alternative pricing sources for similar assets or liabilities, for which all significant inputs are observable, either directly or indirectly. Level 2 investments included fixed- or variable-income securities, commingled funds, certain derivatives and other assets that are valued using market information.

Level 3 Values are based on inputs that are generally unobservable for the asset or liability and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value for Level 3 investments are based upon the best information available and may require significant management judgment. Level 3 investments include private equity investments, real estate and split interest agreements. The District has no Level 3 assets or liabilities.

Net Asset Value (NAV) Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in non-governmental entities that do not have a readily determinable fair value may be valued at NAV. Types of investments which are measured at NAV include hedge funds, private equity investments and commingled funds.

Not Leveled Cash and cash equivalents include cash on hand, deposits in banks, certificates of deposit and money market funds. Due to their short-term nature, the carrying amounts of these assets are considered to approximate their fair value. Certain deposits exceed FDIC limits.

The fair value of the District's investment assets, measured on a recurring basis at June 30, 2024, is reflected in the following table:

(in thousands)	**Significant Other Observable Inputs (Level 2)**	**Net Asset Value (NAV)**	**Cash Equivalents (Not Leveled)**	**Balance at June 30, 2024**
District				
U.S. Treasuries	$ 73,382	$ -	$ -	$ 73,382
U.S. Agencies	17,518	-	-	17,518
Corporate and municipal bonds	56,296	-	-	56,296
Local Agency Investment Fund (LAIF)	-	-	39,560 [1]	39,560
Money market and mutual funds	-	-	219,660	219,660
Total Investments - District	$ 147,196	$ -	$ 259,220	$ 406,416

[1] Amount includes funds held on behalf of the Foundation.

The fair value of the District's investment assets, measured on a recurring basis at June 30, 2023, is reflected in the following table:

(in thousands)	**Significant Other Observable Inputs (Level 2)**	**Net Asset Value (NAV)**	**Cash Equivalents (Not Leveled)**	**Balance at June 30, 2023**
District				
U.S. Treasuries	$ 71,213	$ -	$ -	$ 71,213
U.S. Agencies	18,418	-	-	18,418
Corporate and municipal bonds	51,894	-	-	51,894
Local Agency Investment Fund (LAIF)	-	-	42,979 [1]	42,979
Money market and mutual funds	-	-	63,404	63,404
Total Investments - District	$ 141,525	$ -	$ 106,383	$ 247,908

[1] Amount includes funds held on behalf of the Foundation.

Significant Level 2 instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

Fixed income funds consist of government securities and corporate bonds. Where identical quoted market prices are not readily available, fair value is determined using quoted market prices and/or other market data for comparable instruments and transactions in establishing prices, as well as discounted cash flow models and other pricing modes. These inputs to fair value are included in industry-standard valuation techniques such as the income or market approach.

Investments valued at NAV are State of California Local Agency Investment Fund that include funds designated for operations and for Board-designated purposes which are highly liquid and for which there are no unfunded commitments. Excluding invested amounts related to bond proceeds, amounts may be withdrawn with 1 to 2 days' notice, depending on the amount. For bond proceeds invested in the commingled funds, withdrawals are subject to a delay of up to 30 days, depending on the timing of the request.

Fair value estimates are made at a specific point in time and are based on relevant market information about the financial instrument therefore changes in assumptions could significantly affect these estimates.

Since the fair value has been estimated as of June 30, 2024 and as of June 30, 2023, the amounts that will actually be realized or paid at settlement or maturity of the instruments could be different.

5. Long-Term Investment and Restricted Funds

District

As of June 30, 2024 and 2023, investment and restricted funds, at fair value, have been set aside as follows:

(in thousands)	**2024**	**2023**
Long-term investment and restricted funds		
Board-designated for capital and debt	$ 180,886	$ 178,095
Workers' compensation fund	9,332	8,921
Funds held by trustee under bond indenture	216,153	60,833
Restricted funds	45	59
Total funds	406,416	247,908
Short-term investments – required for current liabilities	(34,531)	(31,145)
Total long-term investment and restricted funds	$ 371,885	$ 216,763

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy, for assets that are Board-designated for capital, limits investments made by each investment manager to have an average maturity of not more than five years.

The District's investment policy permits the following investments:

	Maximum Average Maturity	Maximum Percentage	Maximum Investment
Authorized investment type			
U.S. Treasury obligations	10 years	100%	none
U.S. Government agency securities	10 years	100%	none
State of California or local agency obligations	5 years	100%	none
Corporate bonds	5 years	30%	none
Certificates of deposit	5 years	30%	none
Mortgage pass-throughs	5 years	20%	none
Commercial paper	270 days	40%	10%
Bankers acceptances	180 days	40%	30%
Repurchase agreements	1 year	none	none
Mutual funds and money market mutual funds	N/A	20%	none
LAIF (State Pool Demand Deposits)	N/A	As permitted by law	As permitted by law

As of June 30, 2024, the District had the following investments with maturities as follows:

(in thousands)	Fair Value	Investment Maturities (in Years) Less Than 1	1-5	6-10	More Than 10
Investment type					
U.S. Treasuries	$ 73,632	$ 3,686	$ 62,957	$ 6,989	$ -
U.S. Government agencies	17,517	2,274	10,217	1,553	3,473
Corporate and municipal bonds	56,297	13,159	38,550	4,588	-
LAIF (State Pool Demand Deposits)	39,560	39,560	-	-	-
Money market and mutual funds	219,410	219,212	198	-	-
Total investments	$ 406,416	$ 277,891	$ 111,922	$ 13,130	$ 3,473

As of June 30, 2023, the District had the following investments with maturities as follows:

(in thousands)	Fair Value	Investment Maturities (in Years) Less Than 1	1-5	6-10	More Than 10
Investment type					
U.S. Treasuries	$ 71,213	$ 4,400	$ 63,119	$ 3,694	$ -
U.S. Government agencies	18,418	1,749	10,445	2,150	4,074
Corporate and municipal bonds	51,894	6,863	43,088	1,944	-
LAIF (State Pool Demand Deposits)	42,979	42,979	-	-	-
Money market and mutual funds	63,404	63,060	343	-	-
Total investments	$ 247,908	$ 119,051	$ 116,995	$ 7,788	$ 4,074

Amounts invested in the State of California Local Agency Investment Fund include funds designated for operations and for Board-designated purposes.

Credit Risk

The District’s investment policies are governed by State statutes that require the District to invest in highly rated and secure cash equivalents, and government and corporate debt securities. The District’s policy requires that investments in corporate bonds be rated “A-” or its equivalent or better by a nationally recognized rating service under the “prudent man rule” (Civil Code Sect. 2261 et seq.) as long as the investment is deemed prudent and the type of investment is allowable under current legislation of the State of California (Government Code Section 53600 et seq.). Should the rating fall below the required rating, the District's policies provide for a period under which corrective action is to be taken. As of June 30, 2024 and 2023, there were no investments below the required rating.

The District's investments at June 30, 2024 and 2023 are rated as follows:

(in thousands)	Fair Value at June 30 2024	Fair Value at June 30 2023	Ratings
Investment type			
U.S. Treasuries	$ 73,382	$ 71,213	AAA
U.S. Government agencies	17,518	18,418	AAA
Corporate & municipal bonds	56,296	51,894	See below
Local agency investment fund	39,560	42,979	Not rated
Money market and mutual funds	219,660	63,404	Not rated
Total Investments	$ 406,416	$ 247,908	

Corporate & municipal bonds rating	2024	2023
AAA	$ 16,175	$ 6,354
AA+	5,594	3,037
AA	3,943	6,704
AA-	1,923	10,549
A+	9,096	9,495
A	4,509	9,284
A-	12,703	6,471
BBB	2,353	-
Total corporate bonds	$ 56,296	$ 51,894

6. Capital Assets

The District's capital assets activity for fiscal year 2024 consisted of the following:

(in thousands)	Beginning Balance June 30, 2023	Increase	Decrease	Ending Balance June 30, 2024
Capital assets, not being depreciated				
Land	$ 27,616	$ -	$ -	$ 27,616
Construction in progress	17,301	20,872	(7,231)	30,942
Total capital assets not being depreciated	44,917	20,872	(7,231)	58,558
Capital assets being depreciated				
Land improvements	16,281	7	(2)	16,287
Buildings	791,119	4,396	(7,986)	787,529
Right of use asset	30,533	11,918	(8,870)	33,581
Fixed and moveable equipment	398,604	13,849	(2,234)	410,219
Total capital assets being depreciated	1,236,537	30,170	(19,092)	1,247,615
Less: Accumulated depreciation				
Land improvements	(16,254)	(642)	4,372	(12,524)
Buildings	(316,853)	(26,292)	3,410	(339,735)
Right of use asset	(11,746)	(5,143)	6,137	(10,752)
Fixed and movable equipment	(324,591)	(21,274)	1,936	(343,929)
Total accumulated depreciation	(669,443)	(53,350)	15,855	(706,939)
Total capital assets being depreciated, net	567,093	(23,180)	(3,237)	540,676
Total capital assets, net	$ 612,011	$ (2,308)	$ (10,468)	$ 599,235

The District's right of use asset for both fiscal year 2024 and 2023 includes building and equipment leases and subscription based IT arrangement assets (SBITAs). The equipment leases are not material.

At June 30, 2024, the District was in the process of completing several construction and renovation projects. Commitments related to these projects totaled approximately $6.3 million.

The increase in the District's accumulated depreciation includes both operating and non-operating depreciation as detailed below:

(in thousands)	2024	2023
Change in accumulated depreciation		
Operating depreciation expense	$ 45,144	$ 52,398
Nonoperating depreciation expense	2,262	2,205
Disposal/Adjustment of fixed assets	(8,887)	(18,761)
Total increase in accumulated depreciation	$ 38,519	$ 35,842

The District's capital assets activity for fiscal year 2023 consisted of the following:

(in thousands)	Beginning Balance June 30, 2022	Increase	Decrease	Ending Balance June 30, 2023
Capital assets, not being depreciated				
Land	$ 27,616	$ -	$ -	$ 27,616
Construction in progress	7,236	13,137	(3,071)	17,301
Total capital assets not being depreciated	34,852	13,137	(3,071)	44,917
Capital assets being depreciated				
Land improvements	16,200	81		16,281
Buildings	791,530	586	(997)	791,119
Right of use asset	18,429	17,034	(4,929)	30,533
Fixed and moveable equipment	409,644	7,550	(18,590)	398,604
Total capital assets being depreciated	1,235,803	25,251	(24,516)	1,236,537
Less: Accumulated depreciation				
Land improvements	(15,609)	(645)		(16,254)
Buildings	(290,637)	(26,373)	157	(316,853)
Right of use asset	(8,243)	(6,183)	2,681	(11,746)
Fixed and movable equipment	(319,112)	(21,402)	15,923	(324,591)
Total accumulated depreciation	(633,601)	(54,603)	18,760	(669,443)
Total capital assets being depreciated, net	602,202	(29,352)	(5,756)	567,094
Total capital assets, net	$ 637,054	$ (16,215)	$ (8,827)	$ 612,011

7. Credit Facilities

The District entered into an Irrevocable Standby Letter of Credit (LOC) in connection with phase II of the facility master plan construction project that was completed in 2018. In fiscal year 2024, the amount of the letter of credit was $1.5 million. No draws have been made under the LOC as of June 30, 2024.

WOSC had a short-term $1.0 million revolving line of credit available as of June 30, 2024 and 2023. No draws have been made under this line of credit.

8. Long-Term Debt

The District directly finances the construction, renovation and acquisition of facilities and equipment, or such other purposes as authorized by the Board of Directors through the issuance of debt obligations. Long-term financing includes revenue and government bonds, financial obligations and other borrowings.

In November 2020, the residents of the District approved Measure XX, which authorized the issuance of $425 million of general obligation bonds to fund certain capital building projects. In April, 2022, the District issued $20.0 million of the 2020 Election General Obligation Bonds (2022 Series A), and in September 2023 issued another $125.0 million of the 2023 Election General Obligation Bonds (2023 Series B). The proceeds of the issuance from these bonds were used to finance a portion of the projects authorized by Measure XX. As of June 30, 2024, $280 million of the November 2020 bond authorization remains unissued.

In September 2023, the District issued $40.0 million of revenue bonds (2023 Series A) to finance the acquisition, construction, improvement, betterment and equipping of the District's facilities and the cost of issuing the Bonds.

The District is also required to meet certain covenants, the most restrictive of which is related to debt service coverage. The District has agreed that the Hospital will maintain a long-term debt service coverage ratio of no less than 1.1 to 1.0 on a yearly basis. If, for any fiscal year, the long-term debt service coverage ratio falls between 1.0 and 1.1 to 1.0, the District is required to employ an independent consultant to make recommendations which will result in the long-term debt service coverage increasing to 1.1 to 1.0. As long as the District complies with the recommendations and the long-term debt service coverage is no less than 1.0 to 1.0, no further actions are required of the District. In the event that the long-term debt service coverage ratio falls below 1.0 to 1.0, the Trustee, or a majority of the bondholders, shall be entitled to declare the bonds immediately due and payable.

The District was in compliance with these covenants as of June 30, 2024 and 2023, maintaining debt service coverage ratios of 3.21 to 1.0 and 2.56 to 1.0, respectively. The Hospital is the sole member of the obligated group for these bonds.

WOSC is party to several multi-year lease agreements for surgical equipment. Amounts related to these obligations are included in current maturities of long-term debt and long-term debt, as appropriate.

In November 2020, PSC entered into a business loan agreement (Loan) to finance construction expenditures related to a surgery center in Redwood City, California. The Loan was guaranteed by PSP and the District. The original amount of the promissory note was $9.4 million at 4.25 percent with a maturity date of December 1, 2031.

A summary of the District's revenue bond, general obligation bond and loans payable activity for the year ended June 30, 2024 is as follows:

(in thousands)	Beginning Balance June 30, 2023	Additions	Amortization /Other	Repayments	Ending Balance June 30, 2024	Due Within One Year
Bonds payable						
2023B General Obligation Bonds,						
principal and interest (at 4.00% to 5.00%)						
payable semiannually	$ -	$ 125,000	$ -	$ -	$ 125,000	$ -
Plus: Issuance premium	-	3,223	(116)	-	3,106	-
Total 2022A General Obligation Bonds	-	128,223	(116)	-	128,106	-
2023A Revenue Bonds,						
principal and interest (at 3.00% to 5.00%)						
payable semiannually	-	40,000	-	-	40,000	-
Plus: Issuance premiums	-	717	(22)	-	696	-
Total 2020A Revenue Bonds	-	40,717	(22)	-	40,696	-
2022A General Obligation Bonds,						
principal and interest (at 4.00% to 5.00%)						
payable semiannually	20,000	-	-	-	20,000	-
Plus: Issuance premium	426	-	(25)	-	401	-
Total 2022A General Obligation Bonds	20,426	-	(25)	-	20,401	-
2020A Revenue Refunding Bonds,						
principal and interest (at 3.00% to 5.00%)						
payable semiannually	36,640	-	-	(1,585)	35,055	1,670
Plus: Issuance premiums	2,815	-	(536)	-	2,279	-
Total 2020A Revenue Bonds	39,455	-	(536)	(1,585)	37,334	1,670
2019A Revenue Refunding Bonds,						
principal and interest (at 3.00% to 5.00%)						
payable semiannually	45,060	-	-	(1,605)	43,455	1,690
Plus: Issuance premiums	1,784	-	(396)	-	1,388	-
Total 2019A Revenue Bonds	46,844	-	(396)	(1,605)	44,843	1,690
2019A General Obligation Refunding Bonds,						
principal and interest (at 3.00% to 5.00%)						
payable semiannually	10,970	-	-	(80)	10,890	95
Plus: Issuance premiums	23	-	(25)	-	(2)	-
Total 2019A General Obligation Bonds	10,993	-	(25)	(80)	10,888	95
2017A Revenue Bonds						
principal and interest (at 3.325% to 5.00%)						
payable semiannually	34,230	-	-	(770)	33,460	810
Plus: Issuance premiums	586	-	(89)	-	497	
Total 2017A Revenue Bonds	34,816	-	(89)	(770)	33,957	810
2017B Revenue Bonds						
principal and interest (at 3.00% to 5.00%)						
payable semiannually	60,565	-	-	(1,420)	59,145	1,495
Plus: Issuance premiums	1,565	-	(285)	-	1,280	-
Total 2017B Revenue Bonds	62,130	-	(285)	(1,420)	60,425	1,495
2016 General Obligation Bonds						
principal and interest (at 2.00% to 5.00%)						
payable semiannually	23,725	-	-	(1,320)	22,405	1,375
Plus: Issuance premiums	1,135	-	(237)	-	898	-
Total 2016 Revenue Bonds	24,860	-	(237)	(1,320)	23,303	1,375
2015A Revenue Refunding Bonds						
principal and interest (at 3.25% to 5.00%)						
payable semiannually	17,610	-	-	(2,180)	15,430	2,290
Plus: Issuance premiums	104	-	(82)	-	22	-
Total 2015A Revenue Bonds	17,714	-	(82)	(2,180)	15,452	2,290
2015B General Obligation Bonds						
principal and interest (at 3.00% to 5.00%)						
payable semiannually	145,500	-	-	-	145,500	-
Plus: Issuance premiums	1,255	-	(50)	-	1,205	-
Total 2015B General Obligation Bonds	146,755	-	(50)	-	146,705	-
2013A General Obligation Bonds						
principal and interest (at 3.00% to 5.50%)						
payable semiannually	38,960	-	-	(420)	38,540	-
Plus: Issuance premiums	467	-	(33)	-	434	-
Total 2013A General Obligation Bonds	39,427	-	(33)	(420)	38,974	-
2013B General Obligation Bonds						
principal and interest (at 4.00% to 5.50%)						
payable semiannually	101,040	-	-	(1,080)	99,960	-
Plus: Issuance premiums	1,551	-	(117)	-	1,434	-
Total 2013B General Obligation Bonds,	102,591	-	(117)	(1,080)	101,394	-
Loans payable						
WOSC 2020 Loans,						
principal and interest (at 5.25% to 6.75%) payable annually	393	14	107	(30)	485	48
Total WOSC 2020 Loans Payable	393	14	107	(30)	485	48
PSC 2021 Loan,						
principal and interest (at 4.25%) payable monthly	8,230		(68)	(824)	7,338	860
Total PSC 2021 Loan Payable	8,230	-	(68)	(824)	7,338	860
Lease & Software Subscription Obligations						
principal and interest (at 4.25%) payable monthly	19,600	12,140	(2,492)	(5,852)	23,397	4,874
Total lease obligations	19,600	12,140	(2,492)	(5,852)	23,397	4,874
Total long-term debt payable	$ 574,235	$ 181,094	$ (4,465)	$ (17,165)	$ 733,699	$ 15,207

A summary of the District's revenue bond, general obligation bond and loans payable activity for the year ended June 30, 2023 is as follows:

(in thousands)	Beginning Balance June 30, 2022	Additions	Amortization /Other	Repayments	Ending Balance June 30, 2023	Due Within One Year
Bonds payable						
2022A General Obligation Bonds, principal and interest (at 4.00% to 5.00%) payable semiannually	$ 20,000	$ -	$ -	$ -	$ 20,000	$ -
Plus: Issuance premium	451	-	(25)	-	426	-
Total 2022A General Obligation Bonds	20,451	-	(25)	-	20,426	-
2020A Revenue Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	38,155	-	-	(1,515)	36,640	1,585
Plus: Issuance premiums	3,403	-	(588)	-	2,815	-
Total 2020A Revenue Bonds	41,558	-	(588)	(1,515)	39,455	1,585
2019A Revenue Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	46,590	-	-	(1,530)	45,060	1,605
Plus: Issuance premiums	2,228	-	(444)	-	1,784	-
Total 2019A Revenue Bonds	48,818	-	(444)	(1,530)	46,844	1,605
2019A General Obligation Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	11,045	-	-	(75)	10,970	80
Plus: Issuance premiums	51	-	(28)	-	23	-
Total 2019A General Obligation Bonds	11,096	-	(28)	(75)	10,993	80
2017A Revenue Bonds principal and interest (at 3.325% to 5.00%) payable semiannually	34,970	-	-	(740)	34,230	770
Plus: Issuance premiums	692	-	(106)	-	586	
Total 2017A Revenue Bonds	35,662	-	(106)	(740)	34,816	770
2017B Revenue Bonds principal and interest (at 3.00% to 5.00%) payable semiannually	61,915	-	-	(1,350)	60,565	1,420
Plus: Issuance premiums	1,877	-	(312)	-	1,565	-
Total 2017B Revenue Bonds	63,792	-	(312)	(1,350)	62,130	1,420
2016 General Obligation Bonds principal and interest (at 2.00% to 5.00%) payable semiannually	25,000	-	-	(1,275)	23,725	1,320
Plus: Issuance premiums	1,418	-	(283)	-	1,135	-
Total 2016 Revenue Bonds	26,418	-	(283)	(1,275)	24,860	1,320
2015A Revenue Refunding Bonds principal and interest (at 3.25% to 5.00%) payable semiannually	19,690	-	-	(2,080)	17,610	2,180
Plus: Issuance premiums	225	-	(121)	-	104	-
Total 2015A Revenue Bonds	19,915	-	(121)	(2,080)	17,714	2,180
2015B General Obligation Bonds principal and interest (at 3.00% to 5.00%) payable semiannually	145,500	-	-	-	145,500	-
Plus: Issuance premiums	1,305	-	(50)	-	1,255	-
Total 2015B General Obligation Bonds	146,805	-	(50)	-	146,755	-
2013A General Obligation Bonds principal and interest (at 3.00% to 5.50%) payable semiannually	39,380	-	-	(420)	38,960	420
Plus: Issuance premiums	502	-	(35)	-	467	-
Total 2013A General Obligation Bonds	39,882	-	(35)	(420)	39,427	420
2013B General Obligation Bonds principal and interest (at 4.00% to 5.50%) payable semiannually	102,120	-	-	(1,080)	101,040	1,080
Plus: Issuance premiums	1,675	-	(124)	-	1,551	-
Total 2013B General Obligation Bonds,	103,795	-	(124)	(1,080)	102,591	1,080
Loans payable						
WOSC 2020 Loans, principal and interest (at 5.25% to 6.75%) payable annually	511	-	-	(118)	393	81
Total WOSC 2020 Loans Payable	511	-	-	(118)	393	81
PSC 2021 Loan, principal and interest (at 4.25%) payable monthly	9,018	-	-	(788)	8,230	820
Total PSC 2021 Loan Payable	9,018	-	-	(788)	8,230	820
Lease & Software Subscription Obligations						
principal and interest (at 4.25%) payable monthly	11,063	14,525	-	(5,988)	19,600	3,901
Total lease obligations	11,063	14,525	-	(5,988)	19,600	3,901
Total long-term debt payable	$ 578,784	$ 14,525	$ (2,116)	$ (16,958)	$ 574,235	$ 15,262

A summary of the District's revenue bonds and general obligation bonds issuance information is as follows:

(in thousands)	Original Issue Amount	Maturity Date	Effective Interest Rate 2024	2023
Bond issue				
2023B General Obligation Bonds	$ 125,000	8/1/2053	4.70%	N/A
2023A Revenue Bonds	40,000	8/1/2053	5.51%	N/A
2022A General Obligation Bonds	20,000	8/1/2052	3.83%	3.91%
2020A Revenue Refunding Bonds	40,865	7/1/2038	2.36%	2.58%
2019A Revenue Refunding Bonds	49,445	7/1/2048	3.12%	3.02%
2019A General Obligation Refunding Bonds	11,110	8/1/2039	3.03%	3.01%
2017B Revenue Refunding Bonds	66,690	7/1/2037	3.76%	3.74%
2017A Revenue Bonds	37,655	7/1/2047	4.08%	4.04%
2016 General Obligation Refunding Bonds	30,725	8/1/2036	2.52%	2.45%
2015A Revenue Bonds	30,290	7/1/2029	3.64%	3.57%
2015B General Obligation Bonds	145,500	8/1/2045	3.94%	3.94%
2013B General Obligation Bonds	105,000	8/1/2043	5.01%	4.99%
2013A General Obligation Bonds	40,500	8/1/2043	5.01%	4.99%

The long-term debt payment requirements as of June 30, 2024, excluding unamortized discounts, premiums on bonds payable, leases and SBITAs are as follows:

(in thousands)	Private Long-Term Debt Principal	Interest	Public Long-Term Debt Principal	Interest	Total Long-Term Debt Principal	Interest
June 30,						
2025	7,955	9,715	9,425	30,176	17,380	39,890
2026	8,350	9,759	9,880	30,861	18,230	40,620
2027	8,755	9,350	10,365	30,376	19,120	39,725
2028	9,195	8,912	11,260	29,857	20,455	38,769
2029	9,605	8,499	12,585	29,364	22,190	37,862
2030 - 2034	56,200	35,683	88,135	137,591	144,335	173,273
2035 - 2039	61,955	22,928	139,060	114,614	201,015	137,542
2040 - 2044	21,490	14,438	173,685	81,408	195,175	95,846
2045 - 2049	26,040	9,041	142,770	38,749	168,810	47,790
2050 - 2054	17,000	2,933	91,675	14,752	108,675	17,684
Total	$ 226,545	$ 131,256	$ 688,840	$ 537,746	$ 915,385	$ 669,003

9. Employee Benefit Plans

Defined Benefit Retirement Plan

The District maintains a defined benefit retirement plan, the Washington Township Health Care District Retirement Plan (the Plan), that covers all employees who meet certain eligibility requirements. The Plan, as approved by the Board of Directors of the District, is a single employer plan funded solely by the District. Benefits under the Plan are calculated based on the participant's length of service, age at retirement, and average compensation as defined by the Plan. Employees are fully vested in the Plan after five years of service and are eligible to receive an unreduced benefit once they reach age 65. An employee who attains age 62 and has completed 20 years of service, or an employee who attains age 60 with 30 years of service is also eligible for an unreduced benefit. The Plan also provides disability and death benefits. The Plan does not issue a stand-alone financial report.

Based on guidance under GASB Statement No. 68 the benefit discount rate is equal to the expected long-term (30 year) return on assets, which assumes that Plan assets will be invested in a diversified portfolio of stocks and bonds.

The District has flexibility in determining the amount to contribute to the Plan each year. In determining the amount of the annual contribution, the District considers the calculated actuarially determined contribution. The District has adopted a funding policy that is intended to result in the funding status of the Plan reaching 100 percent, as calculated under the provisions of GASB Statement No. 68. In addition to the District's contributions, under the terms of the California Public Employees' Pension Reform Act (PEPRA), which became effective in January 1, 2013, new employees are required to contribute to the normal cost of their pension benefits. The projected amounts of these employee contributions have been considered in determining the actuarially determined contribution amounts.

Participant data for the Plan, as of the measurement date (December 31 of the prior year) for the indicated fiscal years, is shown in the table below:

	2024	2023
Active and suspended	1,649	1,598
Vested terminated	753	742
Retirees and beneficiaries	973	926
Total participants	3,375	3,266

Components of pension cost for years ended June 30, were as follows:

(in thousands)	2024	2023
Pension cost		
Service cost	$ 11,089	$ 9,513
Employee contributions	(2,620)	(2,180)
Interest	31,624	30,239
Expected return on plan assets	(26,987)	(33,190)
Administrative expenses	196	273
Recognition of deferred amounts	1,318	15,393
Total pension cost	$ 14,620	$ 20,048

Components of deferred outflows and inflows of resources for the year ended June 30, 2024 were as follows:

(in thousands)	Deferred Outflows	Deferred (Inflows)
Differences between expected and actual experience	$ 2,944	$ (335)
Change of assumptions	1,184	(622)
Net differences between projected and actual earnings	23,688	-
Contributions made subsequent to measurement date	2,125	-
Total	$ 29,941	$ (957)

Components of deferred outflows and inflows of resources for the year ended June 30, 2023 were as follows:

(in thousands)	**Deferred Outflows**	**Deferred (Inflows)**
Differences between expected and actual experience	$ 3,634	$ (631)
Change of assumptions	4,524	(1,215)
Net differences between projected and actual earnings	49,977	-
Contributions made subsequent to measurement date	1,875	-
Total	$ 60,010	$ (1,845)

Amounts reported as deferred outflows and inflows of resources – pension will be recognized in pension expense as indicated in the following table:

(in thousands)	**Deferred Outflows**	**Deferred (Inflows)**	**Total**
2025	23,192	(16,967)	6,226
2026	22,194	(12,145)	10,049
2027	21,924	(5,707)	16,217
Thereafter	75	(5,707)	(5,632)
Total deferred outflows and (inflows) of resources - pension	$ 67,385	$ (40,526)	$ 26,859

The following table summarizes the changes in net pension liability for the years ended June 30, 2024 and 2023:

(in thousands)	**2024**	**2023**
Total pension liability		
Service cost	$ 11,089	$ 9,513
Interest	31,624	30,239
Change in assumptions	2	-
Difference between expected and actual experience	420	4,053
Benefit payments	(24,325)	(22,859)
Net change in total pension liability	18,809	20,946
Total pension liability (beginning of year)	464,432	443,486
Total pension liability (end of year)	483,241	464,432
Plan fiduciary net position		
Employer contributions	1,875	8,100
Employee contributions	2,620	2,180
Net investment income (loss)	55,522	(72,238)
Benefit payments	(24,325)	(22,858)
Administrative expense	(196)	(273)
Net change in fiduciary net position	35,495	(85,089)
Fiduciary net position (beginning of year)	395,367	480,456
Fiduciary net position (end of year)	430,862	395,367
Net pension liability (end of year)	$ 52,379	$ 69,065
Fiduciary net position as percent of liability	89.2 %	85.1 %
Covered payroll	$ 216,805	$ 210,819
Net pension liability as percent of covered payroll	24.2 %	32.8 %

The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2024 and June 30, 2023 (unless otherwise indicated, the same assumption was used for the valuations for both years):

Valuation date		December 31
Actuarial cost method		Entry Age Normal, Level Percent of Pay
Amortization method		Straight Line
Asset valuation method		Fair Value
Economic assumptions (including 3% inflation)		
Projected salary increases		3.00 %
Discount rate		7.00 %
Demographic assumptions		
Mortality table for healthy participants		December 31, 2023 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2022 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis
Mortality table for disabled participants		December 31, 2023 - Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2022 - Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis
Sensitivity of net pension liability at December 31, 2023 to changes in the discount rate, with no other changes -		
1 percent decrease (6.0%)	$	110,927,701
Current discount rate (7.0%)		52,379,351
1 percent increase (8.0%)		3,233,419
Sensitivity of net pension liability at December 31, 2022 to changes in the discount rate, with no other changes -		
1 percent decrease (6.0%)	$	125,657,000
Current discount rate (7.0%)		69,065,000
1 percent increase (8.0%)		21,578,000

The fair value of the District's pension investments measured as of December 31, 2023, and used for the purpose of the June 30, 2024 valuation, is reflected in the following table:

(in thousands)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Cash and Cash Equivalents (Not Leveled)**	**Balance at Valuation Date**
Money market funds	$ -	$ 2,467	$ 2,467
Fixed income funds	118,526	-	118,526
Domestic equity funds	143,409	-	143,409
International equity funds	87,081	-	87,081
Balanced real asset funds	79,379	-	79,379
Total pension assets	$ 428,395	$ 2,467	$ 430,862

The fair value of the District's pension investments measured as of December 31, 2022, and used for the purpose of the June 30, 2023 valuation, is reflected in the following table:

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Cash and Cash Equivalents (Not Leveled)	Balance at Valuation Date
Money market funds	$ -	$ 2,291	$ 2,291
Fixed income funds	99,017	-	99,017
Domestic equity funds	132,889	-	132,889
International equity funds	84,864	-	84,864
Balanced real asset funds	76,306	-	76,306
Total pension assets	$ 393,076	$ 2,291	$ 395,367

For a description of the levels used for valuation, information about the valuation techniques and inputs used to measure the fair value of plan assets, see discussion regarding fair value measurements in Note 4.

The District also has a Deferred Compensation Plan available to employees. Generally, any employee is eligible to voluntarily enter into an agreement with the District to defer current wages at amounts limited by federal law. Effective January 1, 2010, under the terms of the Washington Township Health Care District Employer Matching Contributions Plan (the Matching Plan), the District makes contributions to this plan, matching participant contributions to the Deferred Compensation Plan to a maximum of 1.5 percent of gross earnings for employees with a minimum of 1,000 hours in a benefitted status. Under the Deferred Compensation Plan and the Matching Plan agreements, participants select and manage their own investments in mutual fund options approved by the District. All investment earnings, including market value appreciation and depreciation, are set aside for the benefit of the participants.

Matching contributions made by the District were as follows:

(in thousands)

Contribution Year	Amount	Employee Deductions Being Matched
Fiscal Year 2025	$ 2,318	Calendar year 2023
Fiscal Year 2024	$ 2,388	Calendar year 2022

Defined Benefit Postemployment Medical Plan

Other postemployment benefits are provided by the District through a single employer defined benefit postemployment medical plan, the Washington Township Health Care District Postretirement Medical Plan (the OPEB Plan). The OPEB Plan provides benefits for salaried and non-salaried employees, as approved and/or amended by the Board of Directors of the District, and is administered by the District. Eligible individuals are those retiring directly from the District, at a minimum age of 55, with a minimum of fifteen years of service, who have been continuously in a benefited status for the five years prior to their retirement date.

Eligible retirees who are less than age 65, with at least fifteen years of service, are eligible for coverage under the Blue Shield Retiree Medical Plan, with the District providing premium subsidies of from 35 percent (with 15 years of service) to 100 percent (with 30 years of service). Eligible retirees with at least twenty years of service may elect coverage under the Blue Shield Retiree Medical Plan or may elect to receive a monthly reimbursement for medical expenses up to a stipulated amount under the Retiree Medical Reimbursement Plan. This reimbursement amount is fixed and is not subject to future increases under the current terms of the OPEB Plan. Participation in either the Blue Shield Retiree Medical Plan or the Retiree Medical Reimbursement Plan is only available until the retirees reach age 65.

Once eligible retirees reach age 65, the OPEB Plan allows for reimbursement to the retiree of the standard Medicare Part B insurance premium amounts, with automatic reimbursement increases when Medicare increases the standard premium amounts. Employees retiring at or after age 55 with 25 years of benefited service are also eligible for a prescription drug benefit which provides reimbursement up to a stipulated amount for 10 years beginning at the later of age 65 or retirement. The stipulated reimbursement amount is fixed and is not subject to future increases under the current terms of the OPEB Plan.

A separate financial report is not prepared for the OPEB Plan.

The District has flexibility in determining the amount to contribute to the OPEB Plan each year. In determining the amount of the annual contribution, the District intends to contribute, at a minimum, the actuarially determined contribution for each year. The District has adopted a funding policy that is intended to result in the funding status of the Plan reaching 100 percent, as calculated under the provisions of GASB Statement No. 75.

As of the December 31, 2023 and December 31, 2022 measurement dates, the numbers of current and former employees who were eligible, or potentially eligible, for the OPEB Plan were as follows:

	2024	2023
Active	1,550	1,507
Retirees	615	590
Total participants	2,165	2,097

Components of postemployment medical benefits cost for years ended June 30, were as follows:

(in thousands)	2024	2023
Postemployment medical benefits cost		
Service cost	$ 2,220	$ 1,939
Interest	4,692	4,372
Expected return on plan assets	(1,666)	(1,789)
Administrative expenses	52	57
Recognition of deferred amounts	(3,975)	(2,919)
Total postemployment medical benefits cost	$ 1,324	$ 1,660

Components of deferred outflows and inflows of resources for the year ended June 30, 2024 were as follows:

(in thousands)	**Deferred Outflows**	**Deferred (Inflows)**
Differences between expected and actual experience	$ 1,135	$ (2,057)
Change of assumptions	4,266	(4,039)
Net differences between projected and actual earnings	1,270	-
Contributions made subsequent to measurement date	1,056	-
Total	$ 7,727	$ (6,095)

Components of deferred outflows and inflows of resources for the year ended June 30, 2023 were as follows:

(in thousands)	**Deferred Outflows**	**Deferred (Inflows)**
Differences between expected and actual experience	$ 326	$ (2,465)
Change of assumptions	5,619	(6,552)
Net differences between projected and actual earnings	3,153	-
Contributions made subsequent to measurement date	1,821	-
Total	$ 10,919	$ (9,017)

Amounts reported as deferred outflows and inflows of resources – postemployment medical benefits (OPEB) will be recognized in OPEB expense as indicated in the following tables:

(in thousands)	**Deferred Outflows**	**Deferred (Inflows)**	**Total**
2025	$ 2,542	$ (2,440)	$ 102
2026	2,534	(1,597)	937
2027	2,219	(1,322)	897
2028	520	(1,265)	(745)
2029	503	(776)	(273)
Thereafter	427	(770)	(342)
Total deferred inflows of resources - postemployment medical benefits (OPEB)	$ 8,744	$ (8,168)	$ 576

The following table summarizes changes in the net postemployment medical benefit liability from July 1, 2022 to June 30, 2024 and related ratios:

(in thousands)		2024		2023
Total postemployment medical benefits liability				
Service cost	$	2,220	$	1,939
Interest		4,692		4,372
Difference between expected and actual experience		1,055		(2,301)
Change of assumptions		(2,823)		2,551
Benefit payments		(2,307)		(2,230)
Net change in postemployment medical benefits liability		2,837		4,331
Total postemployment medical benefits liability (beginning of year)		65,966		61,635
Total postemployment medical benefits liability (end of year)		68,803		65,966
Plan fiduciary net position				
Employer contributions		3,132		5,531
Net investment income (loss)		3,378		(3,783)
Benefit payments		(2,307)		(2,231)
Administrative expense		(52)		(57)
Net change in fiduciary net position		4,151		(540)
Fiduciary net position (beginning of year)		23,419		23,959
Fiduciary net position (end of year)		27,570		23,419
Net postemployment medical benefits liability (end of year)	$	41,233	$	42,547
Fiduciary net position as percent of liability		40.1 %		35.5 %
Covered employee payroll	$	216,805	$	210,819
Net postemployment medical benefits liability as percent of covered employee payroll[1]		19.0 %		20.2 %

[1] Required disclosure; neither OPEB Plan contributions nor benefits are based on covered employee payroll.

The following table summarizes the actuarial assumptions used to determine net OPEB liability and plan fiduciary net position as of June 30, 2024 and June 30, 2023 (unless otherwise indicated, the same assumption was used for the valuations for both years):

Valuation date	December 31
Actuarial cost method	Entry Age Normal, Level Percent of Pay
Amortization method	Straight Line
Asset valuation method	Fair Value
Economic assumptions (including 3% inflation)	
Projected salary increases	3.00 %
Discount rate	7.00 %
Demographic assumptions	
Mortality table for healthy participants	December 31, 2023 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2023 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis
Mortality table for disabled participants	December 31, 2022 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2022 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis
Other assumptions	
Healthcare cost trend rate	Getzen Model of Long-Run Medical Cost Trends
Sensitivity of postretirement employee medical benefits liability as of December 31, 2023 to changes in the discount rate, with no other changes -	
1 percent decrease (6.00%)	$ 50,429,000
Current discount rate (7.00%)	41,234,000
1 percent increase (8.00%)	33,535,000
Sensitivity of postretirement employee medical benefits liability as of December 31, 2023 to changes in the health cost trend rate, with no other changes -	
1 percent decrease	$ 32,698,000
Current healthcare cost trend rate	41,234,000
1 percent increase	51,719,000
Sensitivity of postretirement employee medical benefits liability as of December 31, 2022 to changes in the discount rate, with no other changes -	
1 percent decrease (6.00%)	$ 51,705,000
Current discount rate (7.00%)	42,548,000
1 percent increase (8.00%)	34,920,000
Sensitivity of postretirement employee medical benefits liability as of December 31, 2022 to changes in the health cost trend rate, with no other changes -	
1 percent decrease	$ 34,101,000
Current healthcare cost trend rate	42,548,000
1 percent increase	52,976,000

The fair value of the District's OPEB investments measured as of December 31, 2023, and used for the purpose of the June 30, 2024 valuation, is reflected in the following table:

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Cash and Cash Equivalents (Not Leveled)	Balance at Valuation Date
Money market funds	$ -	$ 10	$ 10
Fixed income funds	9,404	-	9,404
Domestic equity funds	9,231	-	9,231
International equity funds	5,599	-	5,599
Commodity funds	1,371	-	1,371
Real estate funds	1,464	-	1,464
Infrastructure funds	490	-	490
Total OPEB assets	$ 27,560	$ 10	$ 27,570

The fair value of the District's OPEB investments measured as of December 31, 2022, and used for the purpose of the June 30, 2023 valuation, is reflected in the following table:

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Cash and Cash Equivalents (Not Leveled)	Balance at Valuation Date
Money market funds	$ -	$ 47	$ 47
Fixed income funds	7,381	-	7,381
Domestic equity funds	7,853	-	7,853
International equity funds	5,013	-	5,013
Commodity funds	1,324	-	1,324
Real estate funds	1,351	-	1,351
Infrastructure funds	450	-	450
Total OPEB assets	$ 23,372	$ 47	$ 23,419

Pension Plan and OPEB Plan Portfolios
Long term (30-year) expected rate of returns are forecasted on a forward-looking basis by each asset class. Then the total portfolio's return is forecasted by combining returns of the asset classes based on the respective Plan's asset allocation targets as well as the asset classes' diversification benefits. The forecasting method takes into consideration current market conditions along with potential future changes such as yield shifts or valuation changes, as well as long term equilibrium return and risk considerations. For example, equity asset class methodology includes two models that focus on variables including expected earnings growth, dividend income and expected inflation to triangulate on a reasonable expected return. Fixed income models rely heavily on the existing yield environment but long term equilibrium rates play a part in the long run expectations that incorporate current expectations of inflation and yield curve normalization. The forecasting

methodology combines insights of expected returns for the next immediate period and a long term equilibrium period, to maintain capital markets' long term integrity.

The expected rates of return are presented as geometric means. The details are summarized in the following table:

	Long Term
Total portfolio	7.00 %

Total portfolio asset allocation		**Asset Class Expected Returns**
U.S. Stocks	33 %	6.6 %
Non-U.S. Stocks	22	7.5
High Grade Bonds	12	5.0
Diversified Credit	10	6.9
Diversified Inflation Hedge	15	7.9
Private credit	8	8.5
Total	100 %	

10. Insurance Plans

The District's hospital professional and general liability insurance, and the directors and officers liability deductible and insured programs, are purchased from BETA Healthcare Group (BETA). BETA was formed in 1979 for the purpose of operating an insured program with excess insurance coverage for certain hospital districts of the Association of California Hospital Districts (ACHD). Effective October 1, 1989, BETA became a separate joint powers authority, establishing itself as a public agency and distinct from ACHD. BETA is managed by a board of 15 elected representatives (the BETA council). The BETA council and its six committees meet quarterly to vote on all matters affecting the program. A representative from the District occupies one seat on the BETA council.

The District is self-funded for its workers' compensation claims and has been issued a Certificate of Consent to Self-Insure by the State of California, Department of Industrial Relations. The District purchases excess workers' compensation insurance coverage.

Significant primary and excess insurance coverage types, limits and retention/deductible amounts are included below:

Coverage	Policy Limit	Self-insured Retention/ Deductible Per Occurrence
General		
All risk property	$ 1,000,000,000	$ 100,000
Hospital professional and general liability	40,000,000	50,000
Directors and officers liability	10,000,000	25,000
Employment practices liability insurance	10,000,000	100,000
Excess workers' compensation (A and B)	Statutory	1,250,000
	2,000,000	-
Commercial crime	10,000,000	50,000
Automobile insurance	10,000,000	500
Cyber liability	5,000,000	500,000
Fiduciary	5,000,000	25,000
Pollution	2,000,000	50,000

Settled claims have not exceeded the District's policy limits in any year.

The District has actuarial reviews performed annually on its self-insured claims programs, including professional and general liability, directors' and officers' coverage, workers' compensation, and employee health, vision and dental benefits. Estimated liabilities include amounts for incurred but not reported (IBNR) claims.

11. Compensated Absences

District employees earn paid leave at varying rates depending on length of service and job classification. Employees can accumulate up to 640 hours of paid leave. All accumulated unused leave in excess of the maximum accrual amount is paid at the employee's anniversary date. Upon separation, unused vested leave balances are paid in full. As of June 30, 2024 and 2023, the approximate liability for unpaid compensated absences was $22.1 million and $21.4 million, respectively.

12. Blended Component Unit Information

Condensed financial statement information related to certain of the District's blended component units for the year ended June 30, 2024 is as follows:

(in thousands)	Hospital	DEVCO	Eliminations	District
Condensed statements of net position				
Current assets	$ 178,963	$ 23,543	$ (6,569)	$ 195,937
Long-term investment and restricted funds	371,885	-	-	371,885
Capital assets, net	567,806	46,174	(14,745)	599,235
Other assets	378,565	10,333	(345,531)	43,367
Total assets	1,497,219	80,050	(366,845)	1,210,424
Deferred outflows of resources	37,668	687	-	38,355
Total assets and deferred outflows of resources	$ 1,534,887	$ 80,737	$ (366,845)	$ 1,248,779
Liabilities				
Current liabilities	$ 148,349	$ 343,157	$ (340,587)	150,919
Other non-current liabilities	802,987	28,211	(10,896)	820,302
Total liabilities	951,336	371,368	(351,483)	971,221
Deferred inflows of resources	32,691	10,509	(15,254)	27,946
Net position				
Net investment in capital assets	35,394	11,288	378	47,060
Restricted - expendable	34,531	-	-	34,531
Restricted for minority interest	-	1,527	-	1,527
Unrestricted	480,935	(313,955)	(486)	166,494
Total net position	550,860	(301,140)	(108)	249,612
Total liabilities, net position and deferred inflows of resources	$ 1,534,887	$ 80,737	$ (366,845)	$ 1,248,779
Condensed statements of revenues, expenses and changes in net position				
Operating revenues	$ 566,561	$ 104,310	$ (18,360)	$ 652,511
Operating expenses	(532,303)	(119,706)	15,129	(636,880)
Depreciation	(39,638)	(9,545)	4,039	(45,144)
Operating (loss) income	(5,380)	(24,941)	808	(29,513)
Non-operating revenues and expenses, net	13,006	(1,979)	(877)	10,150
Increase (decrease) in net position before minority interest and restricted funds	7,626	(26,920)	(69)	(19,363)
Other, including minority interest	6,444	(1,850)	-	4,594
Increase (decrease) in net position	14,070	(28,770)	(69)	(14,769)
Net position				
Beginning of year	536,790	(272,371)	(38)	264,381
End of year	$ 550,860	$ (301,141)	$ (107)	$ 249,612
Condensed statements of cash flows				
Net cash provided (used) by				
Operating activities	$ 30,868	$ 3,345	$ -	$ 34,213
Noncapital financing activities	4,687	(1,850)	-	2,837
Capital and related financing activities	124,754	(1,099)	-	123,655
Investing activities	(147,329)	(1,452)	-	(148,781)
Net increase (decrease) in cash and cash equivalents	12,980	(1,056)	-	11,924
Cash and cash equivalents - beginning of year	13,793	5,825	-	19,618
Cash and cash equivalents - end of year	$ 26,773	$ 4,769	$ -	$ 31,542

Condensed financial statement information related to certain of the District's blended component units for the year ended June 30, 2023 is as follows:

(in thousands)	Hospital	DEVCO	Eliminations	District
Condensed statements of net position				
Current assets	$ 146,144	$ 17,233	$ -	$ 163,377
Long-term investment and restricted funds	216,747	16	-	216,763
Capital assets, net	576,945	35,066	-	612,011
Other assets	339,226	5,278	(300,236)	44,268
Total assets	1,279,062	57,593	(300,236)	1,036,419
Deferred outflows of resources	70,929	1,344	-	72,273
Total assets and deferred outflows of resources	$ 1,349,991	$ 58,937	$ (300,236)	$ 1,108,692
Liabilities				
Current liabilities	$ 122,283	$ 309,658	$ (300,236)	131,705
Other non-current liabilities	656,668	21,688	-	678,356
Total liabilities	778,951	331,346	(300,236)	810,061
Deferred inflows of resources	34,250	-	-	34,250
Net position				
Net investment in capital assets	53,679	9,939	-	63,618
Restricted - expendable	29,722	-	-	29,722
Restricted for minority interest	-	1,641	-	1,641
Unrestricted	453,389	(283,989)	-	169,400
Total net position	536,790	(272,409)	-	264,381
Total liabilities, net position and deferred inflows of resources	$ 1,349,991	$ 58,937	$ (300,236)	$ 1,108,692
Condensed statements of revenues, expenses and changes in net position				
Operating revenues	$ 551,307	$ 89,194	$ (16,394)	$ 624,107
Operating expenses	(516,988)	(110,716)	16,676	(611,028)
Depreciation	(45,610)	(6,788)	-	(52,398)
Operating (loss) income	(11,291)	(28,310)	282	(39,319)
Non-operating revenues and expenses, net	2,490	(2,003)	(282)	205
Decrease in net position before minority interest and restricted funds	(8,801)	(30,313)	-	(39,114)
Other, including minority interest	167	(2,049)	-	(1,882)
Decrease in net position	(8,634)	(32,362)	-	(40,996)
Net position				
Beginning of year	545,424	(240,047)	-	305,377
End of year	$ 536,790	$ (272,409)	$ -	$ 264,381
Condensed statements of cash flows				
Net cash provided (used) by				
Operating activities	$ 21,548	$ 28,620	$ -	$ 50,168
Noncapital financing activities	2,063	(3,093)	-	(1,030)
Capital and related financing activities	(16,118)	(25,055)	-	(41,173)
Investing activities	587	-	-	587
Net increase in cash and cash equivalents	8,080	472	-	8,552
Cash and cash equivalents - beginning of year	5,713	5,353	-	11,066
Cash and cash equivalents - end of year	$ 13,793	$ 5,825	$ -	$ 19,618

13. Commitments and Contingencies

Lease Commitments

The District has entered into leases for medical clinic facilities, administrative spaces, and equipment that extends through 2042. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one to five years. Leases may also include options to terminate the leases.

Certain of the District's lease agreements include rental payments adjusted periodically primarily for inflation. The lease agreements do not contain any material lease incentive received, residual value guarantees, material restrictive covenants or material termination penalties. The District also subleases certain real estate to third parties.

The District measures the lease liability at the present value of payments expected to be made during the least term. Leases with a term of twelve months or less and with undiscounted payments of less than $150,000 are recognized as operating expense on a straight-line basis over the lease term. If the interest rate cannot be determined, the District will use an incremental borrowing rate to discount the lease payments, which is an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.

The District's future minimum payments on leases are as follows:

(in thousands)	Principal	Interest
2025	$ 4,023	1,078
2026	3,594	914
2027	3,143	760
2028	2,433	631
2029	1,791	534
Thereafter	10,485	2,274
Total lease commitments	$ 25,470	$ 6,190

The District is a lessor of buildings under agreements that extend through 2067. Some leases include one or more lessee options to renew, with renewal terms that can extend the lease term from one to 5 years. Certain of the District's lease agreements include rental payments that are adjusted periodically, primarily for inflation. The lease agreements do not contain any material lease incentives paid, residual value guarantees, material restrictive covenants or material termination penalties. The District measures the deferred inflow of resources at the present value of payments expected to be received including any advance lease payments or lease incentives during the lease term. During the years ended June 30, 2024 and 2023, the District recorded $5.6 million and $4.5 million, respectively, in lease revenues.

Subscription-based Information Technology Arrangements

The District has subscription-based information technology arrangements (SBITAs) under agreements that extend through 2027. Some SBITAs include one or more options to renew and may also include options to terminate the subscription. SBITAs do not contain any material incentive paid, material restrictive covenants or material termination penalties. The District measures the SBITA liability at the present value of payments expected to be made during the subscription term. SBITAs with a term of 12 months or less and with undiscounted payments of less than $150,000 are recognized as operating expense on a straight-line basis over the subscription term. If the interest rate implicit in the SBITA cannot be readily determined, the District uses an incremental borrowing rate to discount the SBITA payments, which is an estimate of the interest rate that would be charged for borrowing the SBITA payment amounts during the subscription term.

The District's future minimum payments on SBITAs are as follows:

(in thousands)	**Principal**	**Interest**
2025	$ 1,079	$ 75
2026	656	36
2027	193	12
2028	104	6
2029	67	2
Thereafter	-	-
Total SBITA commitments	$ 2,099	$ 131

Litigation
The District is involved in various claims and litigation, as both plaintiff and defendant, arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect on the District's financial position.

Regulatory Environment
The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or not asserted at this time.

14. The CARES Act

The District received COVID-19 Grants of $4.3 million and $0.6 million in fiscal years 2024 and 2023, respectively from Federal Emergency Management Agency (FEMA) for two obligated projects. This was recognized as federal grant revenue on the statement of revenues, expenses, and changes in net position.

Required Supplementary Information

Defined Benefit Retirement Plan

The District's actuarially determined contribution and actual contributions, for this plan year and the nine plan years prior, are presented in the following table:

(in thousands)	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as % of Covered Payroll
Fiscal Year Ended					
2015	$ 18,000	$ 22,700	$ 4,700	$ 136,999	16.57%
2016	17,700	22,100	4,400	142,319	15.53%
2017	22,300	22,000	(300)	146,438	15.02%
2018	23,100	22,300	(800)	168,165	13.26%
2019	23,100	28,875	5,775	165,710	17.43%
2020	23,100	23,100	-	177,841	12.99%
2021	23,100	23,100	-	182,973	12.62%
2022	8,181	6,675	(1,506)	181,577	3.68%
2023	9,513	8,100	(1,413)	210,819	3.84%
2024	11,089	1,875	(9,214)	216,805	0.86%
	$ 179,183	$ 180,825	$ 1,642		

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information (unaudited)

The following table summarizes changes in net pension liability from July 1, 2015 to June 30, 2024:

(in thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 11,089	$ 9,513	$ 10,332	$ 9,548	$ 9,075	$ 8,190	$ 6,500	$ 6,494	$ 5,669	$ 5,434
Interest	31,624	30,239	28,992	27,890	27,395	26,693	24,436	24,263	23,657	21,585
Difference between expected and actual experience	420	4,053	(786)	1,001	(703)	(8,586)	15,019	8,244	(13,656)	578
Change in assumptions	2	-	1,042	(2,992)	16,421	-	-	-	-	14,522
Benefit payments	(24,325)	(22,859)	(21,045)	(19,623)	(18,146)	(16,330)	(15,043)	(30,410)	(13,760)	(13,762)
Net change in total pension liability	18,810	20,946	18,535	15,824	34,042	9,967	30,912	8,591	1,910	28,357
Total pension liability (beginning of year)	464,432	443,486	424,951	409,127	375,085	365,118	334,206	325,615	323,705	295,348
Total pension liability (end of year) (a)	483,242	464,432	443,486	424,951	409,127	375,085	365,118	334,206	325,615	323,705
Plan fiduciary net position										
Employer contributions	1,875	8,100	8,400	23,100	23,100	23,100	22,300	22,000	27,100	36,200
Employee contributions	2,620	2,180	2,140	1,919	1,655	1,235	980	732	374	139
Net investment (loss) income	55,522	(72,238)	61,077	47,613	59,371	(18,935)	42,293	7,817	1,740	10,805
Benefit payments	(24,325)	(22,859)	(21,045)	(19,623)	(18,146)	(16,330)	(15,043)	(30,410)	(13,760)	(13,762)
Administrative expense	(196)	(272)	(228)	(226)	(226)	(224)	(252)	(216)	(64)	(65)
Other	-	-	-	-	-	-	(1)	(126)	-	-
Net change in fiduciary net position	35,496	(85,089)	50,344	52,783	65,754	(11,154)	50,277	(203)	15,390	33,317
Plan fiduciary net position (beginning of year)	395,367	480,456	430,112	377,329	311,575	322,729	272,452	272,655	257,265	223,948
Plan fiduciary net position (end of year) (b)	430,863	395,367	480,456	430,112	377,329	311,575	322,729	272,452	272,655	257,265
Net pension liability (end of year) (a) - (b)	$ 52,379	$ 69,065	$ (36,970)	$ (5,161)	$ 31,798	$ 63,510	$ 42,389	$ 61,754	$ 52,960	$ 66,440
Plan fiduciary net position as percent of total pension liability	89.2%	85.1%	108.3%	101.2%	92.2%	83.1%	88.4%	81.5%	83.7%	79.5%
Covered payroll	$ 216,805	$ 210,819	$ 181,577	$ 182,973	$ 177,841	$ 165,710	$ 168,165	$ 146,438	$ 142,319	$ 136,999
Net pension liability as percent of covered payroll	24.2%	32.8%	(20.4)%	(2.8)%	17.9%	38.3%	25.2%	42.2%	37.2%	48.5%
Deferred outflows of resources										
Employer contributions after measurement date	$ 2,125	$ 1,875	$ 4,050	$ 5,775	$ 5,775	$ 5,775	$ -	$ -	$ -	$ 5,000
Fiduciary net position as percent of liability including deferred outflows of resources	89.6%	85.1%	109.2%	102.6%	93.6%	84.6%	88.4%	81.5%	83.7%	81.0%
Net pension liability as percent of covered payroll including deferred outflows of resources	23.9%	32.8%	(22.6)%	(6.0)%	14.6 %	34.8 %	25.2%	42.2%	37.2%	44.8 %

The following table summarizes the significant actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30 for the years presented (unless otherwise indicated, the same assumption was used for the valuations for all years):

Discount rate	December 31, 2019 - 2023	7.00%
	December 31, 2012 - 2018	7.50%

Demographic assumptions		
Mortality table for healthy participants	December 31, 2024	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2023	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2022	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2021	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2020	Pri-2012 mortality tables projected forward generationally using MP-2020 projection scale
	December 31, 2019	Pri-2012 mortality tables projected forward generationally using MP-2019 projection scale
	December 31, 2014 - 2018	RP-2014 base table with two-dimensional projection scale BB projected generationally
	December 31, 2013	Internal Revenue Code Section 430(h)(3)(A) using static tables and separate mortality rates for annuitants and non-annuitants
Mortality table for disabled participants	December 31, 2024	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2023	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2022	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2021	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis
	December 31, 2020	Pri-2012 disabled mortality tables projected forward generationally using MP-2020 projection scale
	December 31, 2019	Pri-2012 disabled mortality tables projected forward

Defined Benefit Post-Employment Medical Plan (OPEB)

The following table summarizes contributions to the OPEB Plan from July 1, 2017 to June 30, 2024:

Washington Township Health Care District
Required Supplementary Pension and Postemployment Benefits Information (unaudited)

(in thousands)	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Employee Payroll [1]	Contributions as % of Covered Employee Payroll [1]
Fiscal Year Ended					
2017	$ 5,099	$ 1,455	$ (3,644)	$ 146,438	0.99%
2018	5,451	5,995	544	168,165	3.56%
2019	6,200	6,400	200	165,710	3.86%
2020	7,400	4,891	(2,509)	177,841	2.75%
2021	7,400	6,046	(1,354)	182,973	3.30%
2022	7,400	5,444	(1,956)	181,577	3.00%
2023	6,000	5,531	(469)	210,819	2.62%
2024	6,200	3,132	(3,068)	216,805	1.44%
	$ 51,150	$ 38,894	$ (12,256)		

[1] Required disclosure; neither OPEB Plan contributions nor benefits are based on covered employee payroll.

Washington Township Health Care District
Required Supplementary Pension and Postemployment Benefits Information (unaudited)

The following table summarizes changes in the net postemployment medical benefits (OPEB) liability from July 1, 2017 to June 30, 2024, and related ratios:

(in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total postemployment medical benefits (OPEB) liability								
Service cost	$ 2,220	$ 1,939	$ 1,911	$ 1,885	$ 1,473	$ 3,049	$ 2,948	$ 3,007
Interest	4,692	4,372	4,155	3,948	3,461	2,495	2,457	2,260
Difference between expected and actual experience	1,055	(2,300)	349	(555)	(265)	368	-	-
Change of assumptions	(2,823)	2,551	(1,217)	(385)	6,880	(29,183)	3,541	(2,045)
Benefit payments	(2,307)	(2,230)	(2,005)	(1,904)	(1,508)	(1,569)	(1,494)	(1,412)
Net change in postemployment medical benefits (OPEB) liability	2,837	4,332	3,193	2,989	10,041	(24,840)	7,452	1,810
Total postemployment medical benefits (OPEB) liability (beginning of year)	65,967	61,635	58,442	55,453	45,412	70,252	62,800	60,990
Total postemployment medical benefits (OPEB) liability (end of year)	68,804	65,967	61,635	58,442	55,453	45,412	70,252	62,800
Plan fiduciary net position								
Employer contributions	3,132	5,531	5,305	5,204	4,808	9,969	1,494	1,412
Net investment income	3,378	(3,783)	2,689	1,900	1,510	(270)	-	-
Benefit payments	(2,307)	(2,231)	(2,005)	(1,904)	(1,508)	(1,569)	(1,494)	(1,412)
Administrative expense	(52)	(57)	(53)	(52)	(49)	(15)	-	-
Other	-	-	-	-	1	(2)	-	-
Net change in fiduciary net position	4,151	(540)	5,936	5,148	4,762	8,113	-	-
Fiduciary net position (beginning of year)	23,419	23,959	18,023	12,875	8,113	-	-	-
Fiduciary net position (end of year)	27,570	23,419	23,959	18,023	12,875	8,113	-	-
Net postemployment medical benefits (OPEB) liability (end of year)	$ 41,234	$ 42,548	$ 37,676	$ 40,419	$ 42,578	$ 37,299	$ 70,252	$ 62,800
Fiduciary net position as percent of liability	40.1%	35.5%	38.9%	30.8%	23.2%	17.9%	0.0%	0.0%
Covered employee payroll	$ 216,805	$ 210,819	$ 181,577	$ 182,973	$ 177,841	$ 165,710	$ 168,165	$ 146,438
NOL as a % of Covered Employee Payroll	19.0%	20.2%	20.7%	22.1%	23.9%	21.5%	41.8%	42.9%
Deferred outflows of resources								
Employer contributions after measurement date	$ 1,056	$ 1,821	$ 2,750	$ 2,611	$ 1,769	$ 1,686	$ 4,500	$ -
Fiduciary net position as percent of liability including deferred outflows of resources	41.6 %	38.3 %	43.3 %	35.3 %	26.4 %	21.6 %	6.4 %	0.0 %
Net OPEB liability as percent of covered employee payroll including deferred outflows of resources	18.5 %	19.3 %	19.2 %	20.7 %	22.9 %	21.5 %	39.1 %	42.9 %

The following table summarizes the significant actuarial assumptions used to determine net OPEB liability and plan fiduciary net position as of June 30 for the years presented (unless otherwise indicated, the same assumption was used for the valuations for all years):

Discount rate	December 31, 2019 - 2023	7.00%
	December 31, 2018	7.50%
	December 31, 2017	3.44%
	December 31, 2016	3.78%
	December 31, 2015	3.57%
Other assumptions		
Healthcare cost trend rate	Getzen Model of Long-Run Medical Cost Trends	

Washington Hospital Healthcare System

WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
October 2024

Washington Hospital Healthcare System

SINCE 1948

Memorandum

DATE: November 30, 2024

TO: Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Washington Hospital – October 2024 Operating & Financial Activity

---

SUMMARY OF OPERATIONS – (Blue Schedules)

1. **Utilization – Schedule Board**

	October Actual	October Budget	Current 12 Month Avg.
ACUTE INPATIENT:			
IP Average Daily Census	156.8	170.0	158.4
Combined Average Daily Census	169.7	183.5	169.3
No. of Discharges	984	1,012	914
Patient Days	4,860	5,269	4,833
Discharge ALOS	5.15	5.21	5.34
OUTPATIENT:			
OP Visits	9,510	9,440	8,739
ER Visits	5,118	5,600	5,103
Observation Equivalent Days – OP	401	420	333

Comparison of October's actual Acute Inpatient statistics versus the budget showed a lower level of Average Daily Census which translates into lower Patient Days. Discharges were lower than budget, and the Average Length of Stay (ALOS), based on discharged days, out-performed the budget. Outpatient visits were favorable to budget, while Emergency Room visits were unfavorable to budget for the month. Outpatient Observation Equivalent days were favorable to budget.

2. **Staffing – Schedule Board 3**

Total paid FTEs were below budget. Total productive FTEs for October came in at 1,457.8, which was better than budgeted level of 1,545.0. Non-Productive FTEs were above budget by 10.6. Total FTEs per Adjusted Occupied Bed were 5.94, or 0.08 higher than the budgeted level of 5.86.

3. **Income - Schedule Board 1**

For the month of October, the Hospital realized a Net Operating Gain of $1,162,000 from Operations, a 2.21% Margin.

Total Gross Patient Revenue of $222,494,000 for October was $1,411,000 above the budget, or 0.6%.

Deductions from Revenue totaled $171,185,000 which equates to a 76.9% blended contractual rate, was slightly favorable to the budgeted rate of 77.1%.

Total Net Operating Revenue of $52,524,000 was $410,000 or 0.8% better than Budget.

Total Operating Expenses for the month were $51,362,000, which was higher than budget by ($56,000), or (0.1%).

The Total Non-Operating Gain of ($131,000) for the month includes an unrealized loss on investments of ($1,737,000), and was unfavorable to the budget of $835,000.

The Net Income for October was $1,031,000, which equates to a 2.0% Margin, and was ($612,000) below Budgeted Net Income of $1,643,000.

The Total Net Gain for October using FASB accounting principles, in which the unrealized gain on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was $1,689,000 (a 3.22% Margin) compared to a FASB Budgeted Income of $1,291,000, for a favorable variance of $398,000.

4. **Balance Sheet – Schedule Board 2**

There were no noteworthy changes in assets and liabilities when compared to September 2024.

KIMBERLY HARTZ
Chief Executive Officer

KH/TM

SCHEDULE BOARD 1

Washington Hospital Healthcare System

WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
October 2024
GASB FORMAT
(In thousands)

October						FISCAL YEAR TO DATE			
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
					OPERATING REVENUE				
$ 126,262	$ 128,068	$ (1,806)	-1.4%	1	INPATIENT REVENUE	$ 495,184	$ 500,723	$ (5,539)	-1.1%
96,232	93,015	3,217	3.5%	2	OUTPATIENT REVENUE	372,719	357,547	15,172	4.2%
222,494	**221,083**	**1,411**	0.6%	3	**TOTAL PATIENT REVENUE**	**867,903**	**858,270**	**9,633**	1.1%
(167,333)	(166,307)	(1,026)	-0.6%	4	CONTRACTUAL ALLOWANCES	(652,539)	(645,525)	(7,014)	-1.1%
(3,852)	(4,059)	207	5.1%	5	PROVISION FOR DOUBTFUL ACCOUNTS	(14,391)	(15,750)	1,359	8.6%
(171,185)	**(170,366)**	**(819)**	-0.5%	6	**DEDUCTIONS FROM REVENUE**	**(666,930)**	**(661,275)**	**(5,655)**	-0.9%
76.94%	**77.06%**			7	**DEDUCTIONS AS % OF REVENUE**	**76.84%**	**77.05%**		
51,309	**50,717**	**592**	1.2%	8	**NET PATIENT REVENUE**	**200,973**	**196,995**	**3,978**	2.0%
1,215	1,397	(182)	-13.0%	9	OTHER OPERATING INCOME	4,518	5,584	(1,066)	-19.1%
52,524	**52,114**	**410**	0.8%	10	**TOTAL OPERATING REVENUE**	**205,491**	**202,579**	**2,912**	1.4%
					OPERATING EXPENSES				
24,138	24,361	223	0.9%	11	SALARIES & WAGES	96,229	94,742	(1,487)	-1.6%
7,550	7,537	(13)	-0.2%	12	EMPLOYEE BENEFITS	30,856	30,242	(614)	-2.0%
6,932	7,071	139	2.0%	13	SUPPLIES	27,396	28,059	663	2.4%
7,230	6,720	(510)	-7.6%	14	PURCHASED SERVICES & PROF SVCS	28,612	27,621	(991)	-3.6%
2,130	2,135	5	0.2%	15	INSURANCE, UTILITIES & OTHER	7,526	7,660	134	1.7%
3,382	3,482	100	2.9%	16	DEPRECIATION	13,623	13,889	266	1.9%
51,362	**51,306**	**(56)**	-0.1%	17	**TOTAL OPERATING EXPENSE**	**204,242**	**202,213**	**(2,029)**	-1.0%
1,162	**808**	**354**	43.8%	18	**OPERATING INCOME (LOSS)**	**1,249**	**366**	**883**	241.3%
2.21%	**1.55%**			19	**OPERATING INCOME MARGIN %**	**0.61%**	**0.18%**		
					NON-OPERATING INCOME & (EXPENSE)				
640	577	63	10.9%	20	INVESTMENT INCOME	2,512	2,306	206	8.9%
(42)	(154)	112	72.7%	21	REALIZED GAIN/(LOSS) ON INVESTMENTS	26	(618)	644	104.2%
(1,610)	(1,650)	40	2.4%	22	INTEREST EXPENSE	(6,370)	(6,599)	229	3.5%
196	513	(317)	-61.8%	23	RENTAL INCOME, NET	494	1,244	(750)	-60.3%
-	-	-	0.0%	25	BOND ISSUANCE COSTS	(1)	-	(1)	0.0%
(1)	176	(177)	-100.6%	24	FEDERAL GRANT REVENUE	(3)	703	(706)	-100.4%
2,194	1,373	821	59.8%	25	PROPERTY TAX REVENUE	7,955	5,492	2,463	44.8%
229	-	229		26	EQUITY INVESTMENT EARNINGS	609	(64)	673	1051.6%
(1,737)		(1,737)	0.0%	27	UNREALIZED GAIN/(LOSS) ON INVESTMENTS	1,741		1,741	0.0%
(131)	**835**	**(966)**	-115.7%	28	**TOTAL NON-OPERATING INCOME & EXPENSE**	**6,963**	**2,464**	**4,499**	182.6%
$ 1,031	**$ 1,643**	**$ (612)**	-37.2%	29	**NET INCOME (LOSS)**	**$ 8,212**	**$ 2,830**	**$ 5,382**	190.2%
1.96%	**3.15%**			30	**NET INCOME MARGIN %**	**4.00%**	**1.40%**		
$ 1,689	**$ 1,291**	**$ 398**	30.8%	31	**NET INCOME (LOSS) USING FASB PRINCIPLES****	**$ 2,818**	**$ 1,423**	**$ 1,395**	98.0%
3.22%	**2.48%**				**NET INCOME MARGIN %**	**1.37%**	**0.70%**		

**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME, NET INTEREST EXPENSE ON GO BONDS AND UNREALIZED GAIN(LOSS) ON INVESTMENTS

SCHEDULE BOARD 2

Washington Hospital Healthcare System

WASHINGTON HOSPITAL
BALANCE SHEET
October 2024
(In thousands)

	ASSETS AND DEFERRED OUTFLOWS	October 2024	Unaudited June 2024
	CURRENT ASSETS		
1	CASH & CASH EQUIVALENTS	$ 13,534	$ 23,537
2	ACCOUNTS REC NET OF ALLOWANCES	82,750	73,908
3	OTHER CURRENT ASSETS	32,520	25,556
4	TOTAL CURRENT ASSETS	128,804	123,001
	ASSETS LIMITED AS TO USE		
5	BOARD DESIGNATED FOR CAPITAL AND OTHER	185,186	180,885
6	GENERAL OBLIGATION BOND FUNDS	134,129	131,846
7	REVENUE BOND FUNDS	48,449	48,613
8	BOND DEBT SERVICE FUNDS	13,220	35,694
9	OTHER ASSETS LIMITED AS TO USE	10,530	10,342
10	**TOTAL ASSETS LIMITED AS TO USE**	391,514	407,380
11	**OTHER ASSETS**	364,361	354,795
12	**OTHER INVESTMENTS**	24,431	23,784
13	**NET PROPERTY, PLANT & EQUIPMENT**	558,025	567,806
14	**TOTAL ASSETS**	**$ 1,467,135**	**$ 1,476,766**
15	**DEFERRED OUTFLOWS**	29,090	37,668
16	**TOTAL ASSETS AND DEFERRED OUTFLOWS**	**$ 1,496,225**	**$ 1,514,434**

	LIABILITIES, NET POSITION AND DEFERRED INFLOWS	October 2024	Unaudited June 2024
	CURRENT LIABILITIES		
1	CURRENT MATURITIES OF L/T OBLIG	$ 9,880	$ 9,425
2	ACCOUNTS PAYABLE	45,006	41,162
3	OTHER ACCRUED LIABILITIES	47,861	58,960
4	INTEREST	8,689	13,961
5	TOTAL CURRENT LIABILITIES	111,436	123,508
	LONG-TERM DEBT OBLIGATIONS		
6	REVENUE BONDS AND OTHER	215,996	224,753
7	GENERAL OBLIGATION BONDS	466,570	468,300
	OTHER LIABILITIES		
8	SUPPLEMENTAL MEDICAL RETIREMENT	41,817	41,143
9	WORKERS' COMP AND OTHER	10,672	10,389
10	NET PENSION	54,987	52,379
11	ROU ASSET LONG-TERM	9,026	8,124
12	**NET POSITION**	560,519	553,147
13	**TOTAL LIABILITIES AND NET POSITION**	**$ 1,471,023**	**$ 1,481,743**
14	**DEFERRED INFLOWS**	25,202	32,691
15	**TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS**	**$ 1,496,225**	**$ 1,514,434**

Washington Hospital Healthcare System

WASHINGTON HOSPITAL
OPERATING INDICATORS
October 2024

12 MONTH AVERAGE	October ACTUAL	October BUDGET	October FAV (UNFAV) VAR	October % VAR.			FISCAL YEAR TO DATE ACTUAL	FISCAL YEAR TO DATE BUDGET	FISCAL YEAR TO DATE FAV (UNFAV) VAR	FISCAL YEAR TO DATE % VAR.
						PATIENTS IN HOSPITAL				
158.4	156.8	170.0	(13.2)	-8%	1	ADULT & PEDS AVERAGE DAILY CENSUS	154.4	168.3	(13.9)	-8%
10.9	12.9	13.5	(0.6)	-4%	2	OUTPT OBSERVATION AVERAGE DAILY CENSUS	12.5	13.2	(0.7)	-5%
169.3	169.7	183.5	(13.8)	-8%	3	COMBINED AVERAGE DAILY CENSUS	166.9	181.5	(14.6)	-8%
7.9	8.2	7.9	0.3	4%	4	NURSERY AVERAGE DAILY CENSUS	8.3	7.8	0.5	6%
177.2	177.9	191.4	(13.5)	-7%	5	TOTAL	175.2	189.3	(14.1)	-7%
3.6	2.5	4.2	(1.7)	-40%	6	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *	3.3	4.1	(0.8)	-20%
4,833	4,860	5,269	(409)	-8%	7	ADULT & PEDS PATIENT DAYS	18,995	20,695	(1,700)	-8%
333	401	420	19	5%	8	OBSERVATION EQUIVALENT DAYS - OP	1,534	1,621	87	5%
914	984	1,012	(28)	-3%	9	DISCHARGES-ADULTS & PEDS	3,797	3,848	(51)	-1%
5.34	5.15	5.21	0.1	1%	10	AVERAGE LENGTH OF STAY-ADULTS & PEDS	5.20	5.38	0.2	3%
						OTHER KEY UTILIZATION STATISTICS				
1.612	1.600	1.587	0.013	1%	11	OVERALL CASE MIX INDEX (CMI)	1.627	1.584	0.043	3%
						SURGICAL CASES				
190	221	201	20	10%	12	ORTHOPEDIC CASES	807	705	102	14%
26	26	35	(9)	-26%	13	NEUROSURGICAL CASES	105	145	(40)	-28%
13	13	14	(1)	-7%	14	CARDIAC SURGICAL CASES	52	46	6	13%
33	24	43	(19)	-44%	15	VASCULAR CASES	134	163	(29)	-18%
123	132	118	14	12%	16	ENDOSCOPY CASES	524	442	82	19%
105	132	139	(7)	-5%	17	OTHER SURGICAL CASES	457	559	(102)	-18%
491	548	550	(2)	0%	18	TOTAL CASES	2,079	2,060	19	1%
185	219	198	21	11%	19	TOTAL CATH LAB CASES	774	769	5	1%
126	135	133	2	2%	20	DELIVERIES	550	514	36	7%
8,739	9,510	9,440	70	1%	21	OUTPATIENT VISITS	35,850	35,323	527	1%
5,103	5,118	5,600	(482)	-9%	22	EMERGENCY VISITS	20,297	21,586	(1,289)	-6%
						LABOR INDICATORS				
1,430.6	1,457.8	1,545.0	87.2	6%	23	PRODUCTIVE FTE'S	1,436.9	1,525.4	88.5	6%
209.1	184.8	174.2	(10.6)	-6%	24	NON PRODUCTIVE FTE'S	200.6	202.7	2.1	1%
1,639.7	1,642.6	1,719.2	76.6	4%	25	TOTAL FTE'S	1,637.5	1,728.1	90.6	5%
5.24	5.28	5.26	(0.02)	0%	26	PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.31	5.29	(0.02)	0%
6.00	5.94	5.86	(0.08)	-1%	27	TOTAL FTE/ADJ. OCCUPIED BED	6.05	5.99	(0.06)	-1%

Washington Hospital Healthcare System

SINCE 1948

Memorandum

DATE: December 6, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: **New Name and Logo as the Official Trademark for WTHCD**

Introduction

Since the opening of our doors in 1958 as an independent community hospital, Washington Hospital Healthcare System (WHHS) has been a steadfast pillar of care, service, and trust for our community. Over the past 66 years, we have grown far beyond the 150-bed hospital serving a community of 18,000. Today, WHHS has evolved into an integrated health system comprising a hospital, medical foundation, ambulatory care sites, and award-winning specialty services in orthopedics, neurosurgery, cardiovascular surgery, oncology, maternal and child health, and neonatal intensive care.

Our commitment to evolving alongside the needs of our community has led to significant milestones, including the opening of the Morris Hyman Critical Care Pavilion (MHCCP) in 2018 and the recent launch of a Level II trauma center to serve southern Alameda County. Our growth is not only physical but programmatic, expanding services and access to care under a unified vision.

Proposed Name and Logo

Given this evolution, it is time for our brand identity to reflect who we are today: a comprehensive, patient-centered health system. The proposed name and logo, **"Washington Health,"** honor our organization's rich history and deep community roots while reflecting our growth from a community hospital to a comprehensive, integrated health system. This new brand signifies our commitment to whole-person health rather than episodic, transactional care and aligns with our new mission, vision, and values.

Washington Health

Brand Development Process

Our brand journey began in June 2022 with thorough background research into our history, community, and organization. This process included:

- Stakeholder Engagement: Meetings with patients, staff, and community members.
- Brand Review: Evaluation of existing WHHS branded materials.
- Competitive Analysis: Research into healthcare branding best practices.

Throughout the process, we maintained broad feedback loops to ensure inclusivity and alignment with our strategic vision.

Rationale for the Parent Brand: Washington Health

Our research determined that patients should experience a consistent, unified brand across all points of access within the healthcare system. This insight led to the creation of the **"Washington Health"** parent brand, representing the integrated nature of our services and ensuring a seamless experience for patients.

Key Objectives of the New Brand

The **"Washington Health"** brand achieves several critical goals:

- **Unified Identity:** A cohesive brand that links all entities within our health system, regardless of location.
- **Consistency:** A recognizable and trusted brand for patients, providers, and the community.

Design Elements of the New Logo

The proposed logo captures our core values and strategic direction through:

- **Circular Form:** Representing the continuum of care and the unity of our integrated system.
- **Diverse Elements:** Different sizes, colors, and curves reflects the diversity of our community.
- **Sense of Motion:** Conveying a dynamic, forward-thinking organization continuously advancing care to foster healthier communities.
- **Colors:**
    - **Legacy Green:** Honoring our history and community roots.
    - **Blue:** Evoking calmness, renewal, and a fresh perspective on health.

Respecting Our Legacy and Purpose

This new brand respects our heritage as a healthcare system created by the community, for the community. It reflects our commitment to delivering care that is rooted in our history while advancing toward a healthier future.

Request for Approval

I respectfully request the Board of Directors' approval and adoption of:
The new name: **"Washington Health"** and the accompanying logo as the official trademark for the Washington Township Health Care District.

Washington Hospital Healthcare System
SINCE 1948

Memorandum

DATE: December 6, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Consideration of Approval of Revised Health Care District Mission, Vision, and Values

Washington Hospital Healthcare System was established in 1948 as an independent Health Care District to provide residents with access to quality health care close to home. In 1958, we opened as a 150-bed hospital, eliminating the need for residents to travel significant distances for care. Over time, as the community has grown, our steadfast commitment to local accountability has led us to evolve into a comprehensive health system. This dedication to patient care and community well-being continues to drive our mission, vision, and values.

Our current mission, vision, and values, which were last updated with minor modifications and approved by the Board in April 2020, have served the District exceptionally well. They have guided the significant expansion of services provided by the District over the past several decades. Milestones include the establishment of the Washington Township Medical Foundation, the completion of major phases in our Facility Master Plan, including the 2018 opening of the Morris Hyman Critical Care Pavilion, and the recent launch of the Level II Adult Trauma Center—the first new trauma center in Alameda County since 1986.

While we honor our legacy, we recognize the need to grow alongside our community, and continue to evolve into a comprehensive health system capable of meeting the community's needs for generations to come. In today's dynamic healthcare environment, being seen and acting as one cohesive system is essential to our long-term success and sustainability. To support this evolution, our mission, vision, and values must not only reflect the enduring purpose of the District but also embody the aspirations that will shape our future.

The proposed revisions to our mission, vision, and values were thoughtfully developed through a collaborative process involving a broad range of stakeholders. Input was gathered from employees across all levels, physicians, volunteers, patients, and representatives from key entities, including the Washington Township Medical Foundation, the Development Corporation, and the charitable Foundation. This inclusive approach ensures that the revised principles embody the values and aspirations of our Healthcare System.

The following is the recommended Mission, Vision and Values:

Our Mission

Deliver exceptional, accessible, and personalized care to enhance the health and well-being of our diverse community.

Our Vision

Be the trusted first choice for care, where individuals do their best work.

Our Values

Excellence: Providing the highest standard of quality, safe, and accessible health care.

Patient-Centered Care: Putting the patient at the center of everything we do.

Compassion: Responding with care, empathy, and equity in every interaction.

Respect: Relating to each person with dignity – appreciating the uniqueness of each person and contribution of each team member.

Integrity: Acting with honesty and accountability to do the right thing.

I recommend the Board of Directors approve the revised Mission, Vision, and Values. Once approved, I will ensure these are formally documented in the organization's numbered memorandum.

Washington Hospital Healthcare System
S I N C E 1 9 4 8

Memorandum

DATE: December 6, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Update of Signature Authority for Chief Executive Officer

Background

As part of the ongoing effort to improve the efficiency of the operations of the Healthcare System, it is necessary to update and clarify the signature authority for the Chief Executive Officer. Attached to this memorandum is Resolution No. 1270, which approves Board Policy A-018, updating and clarifying the signature and spending authority for the Chief Executive Officer.

The Chief Executive Officer's signature and spending authority have not been reviewed or revised in over twenty years. The Healthcare System's operations have become increasingly complex, and quite obviously, the limits established in previous policies and resolutions are out of date.

The policy clarifies that the Chief Executive Officer can approve transactions identified in the approved District Budget without needing a second Board approval. The policy also establishes updated limits to the signature and approval authority of the Chief Executive Officer. District Legal Counsel and the Chief Financial Officer have assisted in drafting the policy.

This is the first step in updating the signature and spending approval delegation procedure for the Healthcare System. By the end of the first quarter of the calendar year, it is anticipated that further recommendations related to this topic will be presented to the Board, including updates to the Purchasing Policy.

Recommendation

If acceptable, the Board should move to approve Resolution No. 1270, which approves the proposed Board Policy No. A-018 Signature and Spending Authority.

RESOLUTION NO. 1270

RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT ADOPTING AN UPDATED SIGNATURE AND SPENDING AUTHORITY POLICY

WHEREAS, Washington Township Health Care District is a local health care district ("District") which owns and operates a general acute care hospital and provides essential healthcare services to the population residing within the District's political boundaries, including the cities of Fremont, Newark, Union City, parts of South Hayward and Sunol;

WHEREAS, the Local Health Care District Law, Health & Safety Code § 32000 *et seq*. empowers the Board of Directors to control and authorize the expenditure of all District funds;

WHEREAS, the Board of Directors has exercised this authority by delegating responsibility for authorizing expenditures to the Chief Executive Officer of the District, subject to specified limits.

WHEREAS, the Board of Directors has determined that it is necessary and in the best interests of the District to adopt an updated Signature and Spending Authority Policy, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, which shall serve as the policies and procedures that the Board of Directors is required to adopt pursuant to Government Code § 54202.

NOW, THEREFORE, be it resolved that:

1. The Board hereby adopts the Signature and Spending Authority Policy attached hereto as Exhibit A, and

2. The Chief Executive Officer is hereby authorized to take any and all further actions, which in the determination of the Chief Executive Officer, are necessary and proper to effectuate the intent of this Resolution.

Passed and adopted by the Board of Directors of the Washington Township Health Care District this 11th day of December 2024 by the following vote:

AYES:

NOES:

ABSENT:

President, Board of Directors Washington Township Health Care District	Secretary, Board of Directors Washington Township Health Care District

EXHIBIT A

SIGNATURE AND SPENDING AUTHORITY POLICY

DRAFT

Washington Township Health Care District
Board of Directors Policy

Title: SIGNATURE AND SPENDING AUTHORITY	
Category: Governance and General Administration	**Policy No: A-018**
	Original Adoption Date: 12-11-2024
	Last Reviewed/Revised Date: [12-11-2024]
	Last Approval Date: [12-11-2024]

I. PURPOSE:

A. In order to safeguard the District's assets, the Board of Directors has established a set of approval thresholds which must be followed to ensure appropriate review, and approval(s) to spend and/or commit funds.

B. Transactions shall be consummated in accordance with the District's policies and procedures. Certain limits are placed on the authority of individuals to spend and/or commit the District's funds.

II. DEFINITIONS:

A. **Contracting Authority:**
The authority delegated to specified senior management personnel to administer, approve, and execute contracts, and agreements on behalf of the District.

B. **Responsible Leader**:
A responsible leader is the primary contracting officer for the District's external commitments/transactions that the responsible leader administers. A responsible leader may designate other contracting officers in a written plan of delegation that must be provided to and approved by the District's CEO.

C. **Transaction:**
A transaction includes committing the District to spend District assets, receive revenue and/or compensation or otherwise contractually commit to certain actions. The amount of a Transaction is its collective amount over the entire period of commitment.

D. **Claim:**
Any written claim for money or damages presented to the District. This includes claims that must be presented in accordance with the California Government Claims Act as well as claims which are exempt from the California Government Claims Act.

E. **Emergency:**
A sudden, emergent, urgent, and unexpected occurrence beyond the control of the District, that poses a clear and imminent need, requiring immediate action by authorized personnel to prevent, or mitigate, the loss or impairment of life, health, property, essential public services or essential patient care.

III. STANDARDS OF PRACTICE:

A. The CEO of the District is the primary Responsible Leader with Contracting Authority and shall exercise this authority in accordance with the Amended and Restated Bylaws of the District and in accordance with the policies and direction provided by the District Board. Additionally, the CEO shall exercise this authority in good faith and in a manner the CEO believes to be in the best interests of the District.

B. The CEO is authorized to approve any budgeted, non-budgeted, or emergency Transactions in an amount up to and including $300,000.

C. The CEO may approve budgeted Transactions in excess of $300,000 once Board approval has been obtained. Board approval can be in the form of an approved District budget.

D. The CEO may approve non-budgeted or emergency Transactions in an amount up to $750,000. If the need exceeds the CEO limit amount specified in C. above, either the President of the District Board or the Board Treasurer must also approve the Transaction.

E. All non-budgeted or emergency Transactions in excess of $750,000 require approval of the Board.

F. The CEO has been authorized by the District Board to settle any single Claim against the District or one of its affiliates, if the amount paid does not exceed $200,000. Claims in excess of $200,000 must be reviewed with and approved by the Board. All Claims which are settled shall be reported to the Board.

G. The CEO shall report to the Board any emergency, or non-budgeted, Transaction(s) that exceed $150,000.

H. The CEO may delegate to other Responsible Leaders, who shall be members of the District's C-Suite, approval authority levels for specific types of transactions that do not exceed the authority levels delegated to the CEO under this policy. It is expected that such delegation will be made in writing during instances when the CEO is unavailable due to travel or other reasons.

I. This Policy shall be effective immediately upon approval by the Board.

J. To the extent that any language in this Policy conflicts with the language in existing Resolution 125d or Numbered Memorandum 4-18j, the language in this Policy shall govern and control. Without limiting the generality of the foregoing, the language in this Policy will not be construed to be, in any way, contrary to the requirements of California Health and Safety Code Section 32132.

.

Approved:

___________________________ President	___________________________ Secretary